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Peter Cooper



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IDEAS
FOR A
SCIENCE OF GOOD GOVERNMENT

IN
ADDRESSES, LETTERS AND ARTICLES
ON A
STRICTLY NATIONAL CURRENCY, TARIFF AND
CIVIL SERVICE.

BY
HON. PETER COOPER, LL.D.

SECOND EDITION.



COOPER INSTITUTE.

NEW YORK:
TROW'S PRINTING AND BOOKBINDING COMPANY,
201-213 EAST TWELFTH STREET.
1883.



**COPYRIGHT, 1863,
By PETER COOPER.**

0574 21115
I Dedicate this Book

TO MY

CHILDREN, GRAND-CHILDREN,

AND TO

THE PUPILS OF COOPER INSTITUTE.

PETER COOPER.

P R E F A C E.

As this compilation of ideas from my intercourse and correspondence with statesmen, divines, scholars, artists, inventors, merchants, manufacturers, mechanics and laborers, may contribute to a "*Science of Good Government*," based on a *strictly national currency, tariff and civil service*, see p. 212, I consider it my duty to transmit them to posterity in book form.

In our young country these three topics are of the greatest importance, and must be regarded as the foundation for all governmental superstructures. When this nation, numbering now fifty millions, can realize that before these three topics all others must dwindle into insignificance, she will have attained the highest degree of political wisdom. I have had much personal experience in practical business and money affairs for the last seventy years: over thirty years ago I learned finance with our veteran financier, Albert Gallatin, who was Secretary of Treasury under Jefferson and Madison. He was President of "The New York Board of Currency," of which I was Vice-President. About that time I corresponded with Secretary Robert J. Walker on the tariff. Since then I have been

engaged in large financial, manufacturing and educational operations, such as railroads, telegraph, Atlantic cable, iron, steel, Cooper Institute, etc. . . .

This varied experience and my daily reading enabled me to think, converse, speak and write on *finance, tariff* and *civil service*, which I tried to combine in this volume. Since the Rebellion broke out, I sent petitions and letters to Congress, to the President and his Cabinet, and raised my voice in favor of a strictly national currency, a protective tariff, and a wise civil service, as will appear in the following pages.

PETER COOPER.

9 LEXINGTON AVENUE, NEW YORK,
January 30, 1863.

COIN AND PAPER CURRENCY.

PETITION TO CONGRESS, DECEMBER 14, 1862.

*To the Honorable Senate and House of Representatives of
the United States:*

Your petitioner desires most respectfully to call and fix the attention of Congress on the unmeasured consequences, that now depend on a speedy adoption of a financial policy, calculated to maintain the force and power of the Government in its struggle for the nation's life, and at the same time to give the required stability and facilities to enable the people to carry on to the best advantage all the agricultural, mechanical, and commercial interests of the country.

Your petitioner believes, that every other act of legislation dwindles into insignificance, when compared with an act, on which all business interests are more or less dependent, and connected with the honor and life of the nation itself.

In view of consequences and responsibilities so tremendous, your petitioner does most humbly pray, that no time should be lost in perfecting laws, that will embody the highest wisdom and virtue of an intelligent people, for the people's benefit.

In the opinion of your petitioner the Constitution makes it the solemn duty of Congress to coin money and regulate the value thereof, of all that shall be known and used as money throughout the United States. The faithful performance of this duty by the Government will more effectually secure the rewards of labor to the hand, that earns it, and more effectually aid all the useful industries of the country, than any and all other measures, that can be adopted.

PETER COOPER.

PETITION TO CONGRESS.

To the Honorable the Senate and House of Representatives of the United States :

Your petitioner, in view of the paralyzed condition of all the varied industries of our country, causing, as it has, an almost universal embarrassment by the shrinkage in values of all forms of property, thereby rendering it impossible to give the needed employment to suffering millions, who have nothing to sell but their labor—your petitioner desires humbly to represent, that in his opinion a single act of Congress, added to the lately passed financial law, will secure for the United States the best paper circulating medium, that our country or the world has ever seen.

To do this it is only necessary to set forth and declare, that the present *legal tender* money, now in circulation, shall never be increased or diminished, only as *per capita* with the increase of the inhabitants of the country, and that the Government shall receive the *legal tenders* in payment for all duties and debts, with an amount of currency equal in average value to the average premium, that gold has borne during the month preceding the maturing of all contracts.

To secure to our country a tool, as Bonamy Price calls money, of such inestimable value, and at the same time secure for our country a degree of stability in the operations of trade and commerce hitherto unknown—to do this it will

only be necessary for the Government to receive legal tenders in payment for all duties and debts, etc.

This plan will make it the interest of every man to bring and maintain the legal tenders on a par with gold in the shortest possible time. If this can be done it will give permanence and stability to that which measures all the property of the country, etc. . . .

There is no way, by which Congress can so effectually establish justice and promote the welfare of a nation as by securing for it a just and uniform system of money, weights, and measures.

PETER COOPER.

I learned from my friend, Silas M. Stilwell, who was the confidential adviser of Secretary Chase, at the time of our nation's greatest peril, that he saw my petition in the hand of Secretary Chase, at the time when he was saying, that he had some fifty millions of bills audited, and not a dollar in the Treasury. In such a dilemma with the fact before him, that the first four loans, called for, were promptly taken up, and more money was offered at five and six per cent. than the call would allow them to take.

Mr. Stilwell stated, that he had labored with Secretary Chase for two or three weeks, trying to show him, that *Treasury Notes*, based on the credit of the nation and made receivable for all forms of taxes, duties, and debts, would be gladly accepted by the people, and that without a promise to pay gold.

Mr. Chase was determined, that no paper should be issued, without promise to pay gold and silver on demand. Mr. Stilwell labored for many days to show how interest could be used as a floating power for *Treasury Notes* with the *Legal Tender* principle as a forcing power, which would float an amount of *Treasury Notes*, that would meet all the expenses of the war.

This plan would have been, in effect, like the plan, recom-

mended by Franklin and Jefferson. Benjamin Franklin says, that no plan has yet been devised, equal in all its advantages for a currency to *Treasury Notes*, made a *general Legal Tender*.

Having labored for many days to convince Secretary Chase without effect, Mr. Stilwell informed him, that he believed his services were at an end, and that he should leave that evening for his home in New York.

Mr. Stilwell informed me, that he had but just got home, when he received a telegram, begging him to come immediately back, as he had learned, that the banks had all failed to pay specie, as they had promised.

Thomas Jefferson unites with Franklin, and declares, "That *Treasury Notes*, bottomed on taxes, bearing or not bearing interest, is the only fund, on which the Government can rely for loans; and it is an abundant one for every necessary purpose."

The plan, recommended by Thomas Jefferson was and is in exact accordance with the imperative demand of a Constitution, expressly formed to establish justice.

Mr. Stilwell returned at the request of Secretary Chase, who then asked Mr. Stilwell to write out the propositions he had made. On the urgent request of Secretary Chase, Mr. Stilwell wrote out his plan for the issue of *Treasury Notes* on the principle Thomas Jefferson had declared, was the only one, on which the Government could rely for loans.

Thomas Jefferson, in view of the banks, that then existed, declared that "*bank paper must be suppressed, and the circulating medium must be restored to the nation, to whom it properly belongs.*"

Secretary Chase was compelled by the overwhelming powers of a terrible war to finally consent to adopt the plan, written out by Mr. Stilwell; and he says: "*he was forced to cut up small pieces of paper to circulate as money, based on the credit of the people, whose property it was intended to represent.*"

That paper was real *fiat* money, with the stamp of the

Government on it, declaring its first issues as a full *Legal Tender in payment of all debts, public and private; and at the option of its owner convertible into a bond, bearing five and six per cent. interest for the amount so converted.* There has been no day since when that money was not worth as much as gold.

During the last twenty years I have sent thousands of documents broad-cast over our country. In all I have written, I tried to make plain the fact, that the Government of our country has, by a train of unconstitutional, invalidating financial laws wrongfully taken from the American people, since our late war, more than seventeen hundred millions of dollars, that were actually paid by the Government for value received in the labor and property, that were used and consumed in the prosecution of the terrible war, through which we have passed.

It fell to my lot in the early part of my business life to learn an invaluable lesson from the disgraceful failure of the United States Bank.

I saw that bank, with its thirty-five millions of dollars capital, authorized to issue four dollars of paper for every dollar of their capital, and all in promise to pay silver and gold on demand. I knew, that such a bank, with its branches in every state, would be a power, that our Government could never control.

S. M. Stilwell, in his essay on banking, says: "We, as a nation, have experimented with, and dealt in all kinds of credits from individual to national, etc. . . . We had private bankers, State banks, and twice we have tried national banks; and all have proved unsafe and unsatisfactory.

"The plain command, found in the Constitution to regulate commerce between the States, has been neglected by Congress; and instead of binding the States together for commercial purposes, the money-power has been left to the separate States to be exercised under a doubtful construction of the organic law."

PETER COOPER.

WASHINGTON AND ADAMS OPPOSED TO HAVE BANK OFFICIALS
OCCUPY SEATS IN CONGRESS.

On page 20 of the Journal of the United States Senate, first session of the Third Congress, commenced at Philadelphia, Pennsylvania, December 2, 1793, can be found the following resolution, offered on the 23d of December the same year, and passed by the United States Senate with but two dissenting votes, and signed by George Washington, President, and John Adams, Vice-President: "ANY PERSON, HOLDING ANY OFFICE OR ANY STOCK IN ANY INSTITUTION IN THE NATURE OF A BANK FOR ISSUING OR DISCOUNTING BILLS OR NOTES PAYABLE TO BEARER OR ORDER, CANNOT BE A MEMBER OF THE HOUSE WHILST HE HOLDS SUCH OFFICE OR STOCK."

Yet, a late Congress was composed of *one hundred and twenty bankers*, ninety-nine lawyers, fourteen merchants, thirteen manufacturers, seven doctors, four mechanics, and not a single farmer or day laborer. This is agreeable to a statement made by Moses W. Field, M. C.

I think this law was invoked to prevent A. T. Stewart, the largest importer of foreign goods, from becoming Secretary of the Treasury.

Why should it not be enforced now to oust speculators from our Congress, where they are making laws in their own favor and against the interest of the people?

The wise men, who achieved the Independence, drafted the Constitution and established our Government, well knew that it was unsafe to trust the governmental law-making to bankers, usurers, or any one interested in such business. They knew it was morally impossible for persons, interested in money-lending, not to attempt to legislate in their own favor and *against* the good of the people.

I ever did and ever shall advocate a purely national currency, as long as I live, as the only remedy against periodic stagnation, caused by special legislation, suggested and voted by banking representatives and speculators in the seats of our Congress.

Washington and Adams tried to imitate the Master, in driving the *money-changers* out of Congress; but as yet their legislation has not succeeded as Christ did nineteen centuries ago. We must hope the people will become so enlightened, as to expel them by an overwhelming vote.

Washington declared a fact, when he said, that "In exact proportion as we either alloy the precious metals, or pour paper money into the volume of the circulating medium, just in that proportion will everything in a country rise, and labor will be the last, that will feel it. It will not benefit the farmer or the mechanic, as it will only enable the debtor to pay his debt with a shadow instead of a substance."

This was in answer to a letter from a member of the Maryland Legislature, asking Washington's opinion as to the right of a State to issue *paper money*. He did not believe in *contraction* and *inflation*, that cause periodic *panics*.

PETER COOPER.

NEW YORK, Sept. 30, 1871.

ARTICLE, DATING TO 1863-1867.

The nation, having found itself in a terrible war, and having exhausted all the means in its power to obtain gold and silver to meet the wants of the Government, our people were compelled to see the country overpowered by its enemies, or to resort to a kind of forced loan, drawing from the people by taking all forms of their property and labor and giving them in payment treasury notes, demand notes, and the several forms of bonds in the shape of a currency to obtain the necessary supplies to move and maintain armies, sufficient to save the life of the nation. When the great and good work was accomplished, a work, which gold and silver had failed to perform, then the amounts, so expended for that purpose, should have been regarded as the most sacred treasure of the country, and should have been made the permanent, unfluctuating measure of all values through-

out our whole country for all coming time, and never to be increased or diminished, only as *per capita* with the increase of the inhabitants of the country.

To ordain and secure such an unfluctuating measure of all values for all property throughout the vast extent of our country, and make gold perform its proper function, would have been a compensation of more, than equal value to the country, to more than replace the whole cost of the war of the Rebellion.

The currency, so expended in saving the life of the nation, should have been considered of more value than gold itself; because it performed a work, that was entirely out of the power of gold and silver to accomplish; so that every dollar, expended in whatever shape, or whatever kind of value received, became as so much money, placed in the hands of the people, and would not only have enabled them to carry on the war, but to pay the entire debt of the nation without inconvenience, if the amount of the people's money, found in circulation at the close of the war, had been allowed to remain as the tools of trade, the life-blood of commerce in their possession; but by shrinking the currency and by taxing the people, and then taking¹ their money to purchase bonds, that were not due for twenty years, when the people were more in need of their own means and the aid of Government, than ever before to enable them to provide for the disbanded army, that had no other means to live, or anything to sell but their labor; by the shrinkage of the currency, all forms of labor were dried up. The source of all consumption and production was alike destroyed, and a general ruin spread far and wide over our country.

Had the original law, which made paper money receivable for all forms of duties and debts, and convertible into six per cent. interest-bearing bonds, been continued, we would not only have had all our bonds taken at home, but prosperity would have still smiled on our country.

As it is now, the Government has taken from the people

the tools of their trade, and has used its power contrary to the interests of the people, in the purchase of bonds not due for twenty years, loading the people with taxes, destroying and breaking up the business of the country.

Nothing short of a compliance with the very first requirement of the Constitution will stay the torrent of evil, and restore prosperity again to our suffering people. The establishment of justice demands, that the people should have the same amount of currency continued, to enable them to pay the debts of the nation, that was required to enable them to prosecute the war.

The Government, having taken all forms of property and labor from the people, gave them treasury notes as an equivalent for gold, as long as they had it; and when they had not the paper promise of the Government, legal tenders, receivable for debts, taxes, etc.

PETER COOPER.

ADDRESS TO THE UNION LEAGUE CLUB, 1867.

Mr. President and Gentlemen of the Union League Club :

I find myself impelled by an irresistible desire to call and fix the attention of every lover of his kind and country on those appalling causes, that have so effectually paralyzed the varied industries of our people. Those causes have been sufficient to shrink the real estate of the nation to one-half the amount it would have brought three years ago; and that without having shrunk at the same time any of the debts, which had been contracted by the use of money, authorized by the Government of our country. There is nothing, that can be more important, than to find out and remove the causes, that are bringing bankruptcy and ruin to the homes of millions of the most industrious men of our nation. The national policy, which has brought this frightful calamity on our people, should receive the most thorough investigation

and the most decided action by the Government of our country. There is but one way of relief out of all this national trouble and sorrow. The people themselves must enforce upon the administration the obligations, laid down in the Constitution, "to establish justice, and thus secure the general welfare of the nation." To do this, let us take it out of the power of States or Corporations to make, or unmake, the money of the country. It is the sole duty of the Government to coin money, as the Constitution requires. Let the Government itself, through its Administration, be restrained from meddling capriciously with the currency, and only under permanent laws and a well-understood and predetermined policy, always having reference to the good of the people.

Let us have a national currency, issued solely by the authority and supported in circulation by the taxing power and the solvency of our Government. Such a currency should be fixed in volume, as *per capita*, to the amount of the people's money, actually found in circulation at the close of the war; and it should be made as certain and as permanent in value in its measuring power as the yard, pound, and bushel, by its being made redeemable for all Government taxes and debts, except duties on imports. Our Government is bound by the requirements of the Constitution to make the necessary and proper law, as well as a legal tender money for all private debts. This currency must be always *interconvertible* with Government bonds at a low rate of interest, as compared with active investment. It should be a currency, which a bank or corporation cannot rightfully issue, enlarge, or contract in its own interest, and which cannot be taken from the hands of the people by the "ever-shifting balances of commodities" between nations, as is the case with gold and silver, when used as money. It will not be subject to any sudden contractions or expansions, but will be regulated by established law, based on scientific facts and principles of a just system of national finances. The treasury notes can be made just such a currency. This

currency can always be kept on an average par with gold, or the currency of any other country, by the encouragement and the support, which it will give to the industry and the productiveness of the country. • It will increase indefinitely the country's exporting power. We will then pay our balances with other nations with our surplus products, and have but little occasion for the use of gold and silver to pay balances of trade. We can in no way become an exporting nation, except by stimulating our own productiveness, diversified and enlarged in every direction of human industry, in which our materials are as good and abundant as those of other nations, and the labor and skill are ready for use, if properly encouraged. For this purpose I believe it will be wise for us to remove all internal taxation, and rely solely on a sufficient revenue tariff to meet the expenses of Government. This subject is very much misunderstood or misrepresented by our own advocates of free trade. It is the surplus productions of foreign countries mostly, that reach our shores as imports, and it is also the surplus capital of the importers and foreigners, that is employed to bring them here. Hence it is but right to tax this surplus for the absolute wants of our own domestic industry and capital. This is precisely what a tariff accomplishes. It taxes the importer and foreigner chiefly, who must find a market somewhere, and those of our people, who will buy and use foreign products, which leave our own good raw materials unused, and our own domestic laborers unemployed. This is violating the first law of nature—self-preservation. Let us take care of our own people here at home, as the first duty of our own Government. And let us not make the great mistake of the governing classes in France, England, and Germany, where the wages of the operatives and workmen are reduced to a bare subsistence.

It is this ignorance or want of patriotism, that stands in the way of the public weal, both in the management of our finances and the adoption of a judicious tariff. The people alone can vindicate their rights, and secure their own wel-

fare, by taking an intelligent and proper interest in the administration of their own Government. Let them require from this Administration a return to the principles of public justice and equal rights. Let the Government be required in some proper way to restore to the people the tools of their trade and commerce, which have been so unjustly and cruelly taken from them. Let there be provision made for the return of the whole of that currency, found in circulation at the close of the Rebellion, which was worked out and paid for by the people in the labor, material, and service, which they had rendered to the Government during our struggle for the nation's life. It was a currency, which had lifted the American people into a state of unexampled prosperity, never before known in this or any other country, and which can be restored to the people by the issue of treasury notes, paid out for the necessary expenses of Government, for the execution of great necessary international works, such as the Northern and Southern Pacific railroads, which, when made, will strengthen the bonds of the Union, and open a vast country, with its untold wealth, for the enterprise and labor of the people. I have sounded these notes of encouragement, warning, and advice time and again; because I believe they are for the peace and happiness of our country. At my advanced age I have no personal ambition or motive left but the welfare of mankind, and the prosperity of my beloved country. If it were the last word I should utter with my dying breath, I should warn the people of this country against the insidious wiles of professed politicians, who are seeking for the spoils of office and the attractions of power—men, who are ready to lend themselves to all special and partial acts of legislation, if they can only advance their own individual interests. Such men oppose "civil service"; because it will curtail their political patronage; such men barter the rights, the prosperity, and even the bread of the people, in order to share in the spoils and the temporary gains, which are thrown into the hands of a few by a pernicious system of banking, of which the period-

ical panics of our country bear a frightful record. They are the natural outgrowth of the same injurious system.

My arguments will be confirmed by a reference to the facts, stated in the following letter in relation to the currency by F. E. Spinner, the former Assistant Secretary. Mr. Spinner says, that there was put in circulation, in all the forms of six per cent., five per cent., and 3.65 per cent., of legal tender money, \$1,152,924,892, besides the seven-thirties, \$830,000,000, which Mr. Spinner says were intended, prepared, and used as currency. This amount had been paid out as so many dollars, and had become the people's money, which the Government was then and forever bound to receive from the people as legal tender dollars for every form of taxes, duties, and debts. The failure of the Government to do that duty has cost the nation thousands of millions of dollars. It will be recollected by many members of this Club, that we were favored on a former occasion by Prof. White, of Cornell University, with an account of the losses, sustained by the people of France by the use of assignats, authorized by that Government. I have always regretted, that my esteemed friend, Prof. White, had not gone far enough into the true history of the rise and progress of the assignats, to see that the injurious losses, occasioned by them did not arise from an improper action of the republican Government, but from the combined powers of the internal and external enemies of the Republic. This will appear by the following facts: The assignats of France were based on the confiscated property of the clergy and nobility, in which both the clergy and nobility had a deep interest, that led them to denounce the assignats, as based on theft and outrage. There was another royal party, which united in declaring, that their lands had been taken without any of the forms of law, and therefore the title still remained in the clergy. The parties all united in declaring, that the assignats were utterly without any basis to secure their redemption. The parties never ceased to agitate and war on the credit of the assignats. But finding the Rev-

olution too strong for them, and that its cause was being so successfully strengthened by conquering the enemies of liberty and of the nation, that other nations were yielding to its power, that its armies were victorious, and that its principles, as developed by the Constitution and laws, were such as reason and humanity approved, history tells us, that all the enemies of the new French Government united in an effort to destroy the power of the new Government by circulating counterfeit assignats in every direction. The counterfeiting commenced in 1792 in Belgium and Switzerland, and was used extensively, as the best means of destroying the power of the Republic. It was found by the nobility, that Belgium and Switzerland were too much in sympathy with the revolutionists to be trusted. They then extended their operations to London, where they found more scope and greater opportunities for uninterrupted work. History charges, that England lent her aid by allowing "seventeen manufacturing establishments in operation in London, with a force of four hundred men, in the production of the assignats."

It was found that 12,000,000,000 of counterfeit francs had been circulated in France, when only 7,860,000,000 of francs had been issued by the Government, showing, that the danger of an over-issue was from the enemies of the Government, and not from the Government itself. The assessed value of the property, on which were based the 7,860,000,000 of francs, was, in 1795, 15,000,000,000, showing, that as long as the confiscation of property was maintained by the Government, the assignats had good security for their redemption.

It is more than probable, that we shall see again what are called "prosperous times," when the banks have annihilated our greenback currency, and have substituted their own money, on the old and false pretense of a "specie basis," which makes their money "as good as gold," until the gold is really wanted. But I warn my countrymen, that this will be a baseless prosperity, that can only last while there are

any securities or property, that can be pledged for loans, the loans themselves being puffed up under the conceit, that they are payable in gold; then another crash will come, and we shall have the same scenes of desolation and suffering, that we have experienced as a people for the past three years.

I do most earnestly beseech the American people to see to it, that their chosen rulers are men, imbued with the spirit and letter of the Constitution, which, after a great struggle, was enacted "to establish justice, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

PETER COOPER.

TO PRESIDENT GRANT.

NEW YORK, December 10, 1873.

PRESIDENT GRANT,

Honored and Respected Sir:

Allow me to say, that the millions of the unemployed people throughout our country look with anxious hope to our Government for the adoption of some plan, that will inspire confidence in those, who have the means, to give the needed employment, which alone can save those millions of the unemployed from the desperation of starvation, a condition, which they see rapidly approaching, and they have nothing to sell for their relief but their labor. It is fortunate for our country, that the Constitution has provided, that "Congress shall have power . . . to lay and collect taxes, duties, imposts and excises, to pay the debts, and provide for the common defence and the general welfare of these United States."

There is nothing, that will so effectually relieve their wants, "establish justice, and promote the general welfare," as a uniform system of money, weights and measures. There is nothing more important for the general welfare,

than a uniform system in the value of money, as it controls all that is measured by the bushel, the yard, or pound. It measures as effectually the poor man's potatoes, as it does the rich man's robe.

Having been myself a working man through a long and laborious life, I feel for their condition and would gladly better it, if I could. At present, I believe, there is not less than a thousand persons depending for their bread on the business, carried on within the circle of our family.

Thus far we have been able to keep two rolling mills running, and also two mills for the manufacture of wire and springs, besides giving employment to some two hundred persons in the manufacture of glue, oil and isinglass.

We have four blast furnaces now blown out for the want of sale for the iron they would produce.

The mining of ore for these furnaces must soon stop, unless the furnaces can be put in blast. No one can contemplate the continuance of the present state of things, without a feeling of horror at the prospect.

I herewith send you a printed copy of a plan, that I sent in 1869 to the Senate and House of Representatives.

I think you will agree with me in the opinion that, if the plan for regulating the currency, then presented, could have been adopted, it would have saved us from the ruinous panic, through which we are now passing, and would have secured for our country the resumption of specie payments in the shortest possible time, and that without doing violence to any of the great interests of our country. If this plan could even now be adopted, it would do more to inspire confidence and revive the trade and commerce of the country, than any of the plans, that have been proposed. The whole people will soon come to understand, that there is no form of wealth, that can be made more secure than a *legal tender* paper currency, that shall only be allowed to increase as per capita, with the increase of population. . . .

When such a currency is provided and made as secure as

a bond and mortgage on the whole property of the country, it will not be long before it will be found, that the principal value of gold and silver will be to make purchases and settle balances with foreign countries. . . .

With an ardent hope, that the best means may be adopted to secure the highest welfare of the nation,

I remain,
Yours with great respect,
PETER COOPER.

PETITION TO CONGRESS.

Gentlemen.:—The bill for the refunding of the \$637,000,000 of five and six per cent. bonds, falling due during the year 1881, that are yet unprovided for, is attracting very great attention and exciting much interest among the people in all parts of the country.

The question of most importance to the people, in relation to this bill, is not the one as to how this part of the debt shall be refunded, but as to how it shall be paid.

There are evidently two interests involved in the discussion of the question; one of these interests is that of the masses of the people, who have the debt to pay, and the other that of bondholders and bankers, who are to receive the interest and the principal to be paid. The people want to be relieved from the burden of interest and debt, in the shortest time and at the least possible expense, whilst the holders of the bonds evidently want their claims perpetuated as long, and to obtain as much as possible out of it.

Is it not the positive duty of Congress to legislate for the greatest good of the greatest number? I fear they are consulting far too much the interests of the small number of bondholders, who want the debt perpetuated, and not those of the masses, who have the burden of debt to bear.

The bankers want the bonds, coming due, refunded into those bearing as high a rate of interest as they can obtain, and having a long time to run, on which, under the National

Banking Act, they can secure 90 per cent. in bank notes, which are just as valuable to them as the money they invest in the bonds. By this means they are able to obtain a double interest out of the people on about every dollar of the debt thus refunded; one on the bonds they buy, and the other on the bank currency they receive from the Treasury, which they loan to the people.

Now, I ask you as intelligent men, why should not the Government issue its currency for the benefit of all the people in the form of Treasury notes, made receivable for all forms of taxes, duties and debts, and as Thomas Jefferson said, bearing or not bearing interest, as the case may be; and which, he said, constituted an ample fund for every contingency, that may arise. These notes may be redeemable in coin or receivable at Post Office Savings Banks, where a rate of interest is paid, that will keep them at par with coin. Why not use this currency to buy gold and silver bullion and coin it, and with this coin, and with the hundreds of millions now idle in the Treasury, pay off the bonds, falling due as fast as possible, and thus stop the interest on them, and relieve the people from the debt entirely?

Do you not think, that United States Treasury notes, thus issued, would be just as valuable for currency, as are the notes of the National Banks?

Cannot the Government keep its notes at par with coin, as easily and more permanently than can the National Banks? Cannot the Government, by the taxing power it possesses, command nearly all the gold and silver bullion, and does it not have the absolute control of the coinage of such bullion, and by these means will it not be able to redeem its notes in coin with greater certainty, than the banks can their notes?

The Secretary of the Treasury, on page 15 of his last annual report, informs us "*that the amount of United States notes, presented for redemption for one year prior to Nov. 1, 1880, was only \$706,658; while the amount of coin or bullion de-*

posited in the Treasury, Assay Office, and the mints, during the same period, was \$71,396,535.67; and that those deposits of coin and bullion were paid for in United States notes and silver certificates." From these facts it must be self-evident to all, that the people prefer Treasury notes to coin, and that there is a demand for \$101 of Treasury notes to \$1 of coin.

Do not these facts also show, that the people prefer the legal tender Government Treasury notes to either gold or silver coin, or to any other kind of currency?

Secretary Sherman, on page 14 of his last annual report, also says:

"United States notes are now in form, security and convenience, THE BEST CIRCULATING MEDIUM KNOWN."

"Ordinarily the superior convenience of these notes will, as at present, make a greater demand for them than for coin."

"The United States note, to the extent that it is willingly taken by the people, and can, beyond question, be maintained at par in coin, is the least burdensome form of debt."

Secretary Sherman tells us also, that with the notes now in circulation, "The public saves over seven millions of annual interest," and "secures a safe and convenient medium of exchange," and we have the assurance, that "a sufficient reserve in coin will be retained in the Treasury, beyond the temptation of diminution, such as always attends reserves, held by banks."

Now I ask you, gentlemen, if these statements of Secretary Sherman, who is regarded as one of the ablest and soundest financiers of the world, are true, what possible objection can there be to replace the present notes of the National banks with United States Treasury notes, as was recommended by the late John R. Williams, President of the Metropolitan Bank of New York City some years ago? If the people prefer these notes to coin; if they are "the best currency ever issued;" if they "save interest on the public debt;" if they are "readily maintained at par with

coin," why not have all our paper currency in United States Treasury notes, instead of bank notes? There is not the slightest doubt in my mind but that, if the Government should issue its Treasury notes, made receivable for all forms of taxes, duties and debts, and at the option of the Government made redeemable in coin, or received at Post Office Savings Banks, it could issue an amount equal to the whole \$637,000,000 of bonds now due, and the people would give coin or an equivalent in coin, in labor or in any property they have to dispose of, for every dollar of such notes issued.

While members of Congress are spending days and weeks, discussing the question, as to whether the bankers will buy 3 or $3\frac{1}{2}$ per cent. bonds and Treasury notes at par, the people stand ready to take these Treasury notes at par, even if they bear no interest whatever.

If the \$345,000,000 of bank notes, now in circulation, are withdrawn, and Government Treasury notes issued to take their places, and these Treasury notes used in cancelling the bonds referred to, over \$20,000,000 of annual interest could be stopped at once. Or, if these notes were used to pay for labor and material in the construction of public works, they would complete three lines of double track railroads from the Atlantic to the Pacific, and build fifty first-class ocean steamers, which the people could have for use at the bare cost of running expenses.

Is it right for the Government to donate to bankers so much money, which, if given to the people in payment of public improvements, would add such enormous sums to our national wealth, or if used to cancel the bonds, would relieve the people from such a burden of interest? If the paper notes in circulation were all in Treasury notes, and these notes were used as here directed, the industries of the country would be so stimulated, that the annual revenues of the Government would provide funds for cancelling the public debt as fast, as it becomes due, as is now readily being done by France, under her admirable system of public works.

Herewith I enclose a printed slip, which contains some very important facts and figures, embodying my views in reference to the funding and payment of the National debt. I will thank you most sincerely if you will give them your most careful consideration. The truths they contain can be verified from the records of the Treasury Department, and by any skilled accountant.

You will discover, by verifying these figures, that by substituting Treasury notes and using the idle coin in the Treasury and the \$100,000,000 of annual surplus revenues of the Government, that the public debt can all be cancelled in about eight years at a saving to the people of \$894,000,000 over the sum required, if this portion of the debt is refunded into twenty-year bonds, as has been proposed.

I believe that, if the policy here indicated is adopted by Congress, that its members will be entitled to the gratitude of the whole country, and by relieving them from the burden of a National debt, and greatly promoting the National industries, they will make this the most prosperous nation on the face of the globe.

One of the great benefits to be derived from the use of United States Treasury notes in place of bank notes, will be that it will give the people a volume of currency, which will be uniform, and which will not be subject to inflation and contraction, as bank currency has always been. It is a principle recognized by all writers on political economy, that other things being equal, the volume of currency determines the prices of all property, and that, where that volume is inflated or contracted, prices are increased and diminished in a like ratio. Under the present National Banking Act, the bankers have the power to inflate the currency to within about 10 per cent. of the entire bonded debt or to \$1,600,000,000, and then contract it as much as they choose. You can imagine how disastrously such expansion and contraction must work upon the business of the country, and what enormous profits the bankers, who have control of the volume of currency, are able to realize by using the power the

people thus place in their hands. With all our paper currency in United States notes, no such inflation and contraction could possibly take place. No bill, affecting the volume of currency, could be passed, except after the most careful consideration and thorough discussion by the wisest men in the National councils, and by the press and people of the entire country. While under the present National banking system, a few bank presidents, in some back parlor, can inflate or contract the currency to the extent of hundreds of millions of dollars, without the people knowing anything about it, until many of them find themselves on the verge of bankruptcy.

If our paper currency is all in Treasury notes, the volume can be so regulated by Congress as to bear a uniform relation to the wealth of the nation, and be increased *per capita* as the population and business of the country increase, and the contraction of such volume be forever prevented, and the purchasing power of money be made as uniform as the measuring power of the yardstick or pound weight.

Such a currency would, not only give the people uniform prices, but unparalleled prosperity in all departments of business. It would lessen crime, promote virtue and make us a free, happy and intelligent people.

Let me entreat of you, gentlemen, to do one thing for the people, before you adjourn, if nothing more: ATTACH A CLAUSE TO THE REFUNDING BILL, MAKING IT OBLIGATORY UPON THE SECRETARY OF THE TREASURY TO ISSUE UNITED STATES TREASURY NOTES TO TAKE THE PLACE OF THE NOTES OF ANY NATIONAL BANK, THAT MAY RETIRE ITS CIRCULATION.

Every serious contraction of the currency works disastrously to business, and, if a 3 per cent. refunding bill is passed, the banks, many of them, are threatening to retire their circulation. A clause of this kind would obviate any difficulties, that might arise from such a course, and would place the business interests of the country beyond the power of banks to materially disturb them.

Yours with great respect,

PETER COOPER.

ARTICLE IN THE NEW YORK TRIBUNE, NOVEMBER 21, 1874.

To the Editor of the Tribune.

SIR:—I have read the able and most interesting letter, lately published in *The Evening Post* by my honored and respected friend, the Hon. Charles O'Connor. That letter brought to my recollection a conversation, held with a distinguished lawyer of this city, some forty years ago. In that conversation the counsellor was exceedingly severe on Gen. Jackson's war on the United States Bank—an institution, that he regarded as an indispensable means to promote the general welfare of the nation. I saw, that the counsellor had entirely overlooked the frightful evils, brought on the country by the paper money, issued by that bank during the first four years of its operations, when it was found to have issued \$40,000,000 of paper money, and had in its vaults only \$300,000 in gold to redeem it. When this fact became known the President had to flee for his life. Langdon Sheves, a distinguished gentleman from Charleston, was invited to take his place as President of the bank. A council was then held for five days, when it was determined to curtail their accommodations 20 per cent. per month, by which means they barely saved the bank, and literally ruined all, who were in debt by the shrinkage of all values throughout the country to less than one-half the amount, that property had sold for under the inflation of prices, caused by the enormous amount of paper promises to pay gold, that had been in circulation.

This should be sufficient to show the ruinous policy of allowing anything to be used as a money measure of the value of property or labor, that has not in it the evidence in real value of gold actually dug, or a mortgage on the whole property of the country to secure its final payment.

After the counsellor had completed his severe censures on the policy of Gen. Jackson, I ventured to say, that I would, if he had no objection, give my opinion of what would be a

true financial policy for a new nation. I then said, that I would suppose a case to illustrate and bring near home what appeared to me a true financial policy, that a nation unfettered by debt should adopt.

In order to find out where we have drifted, I will now ask you to go with me through the rise, progress, and development of two nations. To do this I will ask you to suppose, that two separate, independent, intelligent colonies had arrived, one on this island and one on the Jersey shore, with only their implements, intending to live on what they could find or get out of the ground by their labor. Suppose the river was the dividing line between them, such a people would soon find, that the exchange of commodities in kind, one with another, was attended with a great expense of time and labor. An intelligent people would look for some means of relief from the labor of carrying heavy materials to places, where they were not wanted for immediate use, in order to be exchanged or bartered in kind for things indispensable to their wants.

If an intelligent community should find gold and silver, that could be obtained with great labor, they would see that gold and silver were durable, malleable, and easily put in forms, convenient for a circulating medium. In order to make it a just means to measure all forms of labor, such a community would employ one man to dig gold and silver, and another to dig corn and potatoes; and when the man had put his silver and gold in convenient forms for currency, they would see the great advantage they would obtain by exchanging the day's labor of gold and silver for the day's labor of corn and potatoes, and all tother articles, that embodied labor.

This form of currency would circulate from hand to hand, carrying with it the evidence of labor actually performed. The whole community would be delighted with their improvement, as the wear and tear of such a currency would be so small and the saving in labor so great. Such a community would naturally grow and prosper, until their number

would so increase, as to make it necessary to send their gold and silver to distant places at great hazard and expense. An intelligent community, instead of sending gold to New Orleans to buy sugar, would naturally establish a safe place of deposit for gold here, and then send an order to New Orleans, that would cause the gold to be delivered to any one holding that order. The order would be more valuable to the man in New Orleans, who wanted something from New York, than the gold itself; such an order as this would save the expense and risk of sending the gold in both directions.

As it happened in olden times, when it is said that "the sons of God" (or the sons of good) "came together," that "Satan" (in the form of selfishness) "came also among them," so it has unfortunately come to pass in our country; these men were not satisfied with the advantages, gained by drawing bills on gold deposited, instead of sending gold backward and forward from one distant place to another.

These artful, selfish persons, whose proper business it was to earn their living by digging gold, and putting it into forms convenient for currency, found that they were working just as hard as the men, who were digging corn and potatoes. These men saw promises to pay gold on demand, passing freely from one hand to another. The cunning man, whose business it was to dig gold, says to his weak-minded neighbor: "You see, that those paper promises are just as good as gold, as the people buy everything they want with them; if you will join with me, we will get a charter, that will enable us to get our corn and potatoes with much less hard labor." They at once apply for a charter for a bank. If objections should be made to giving them one, such objections are quieted by giving those, who object an interest in the stock.

In this way pictures, called money, encouraged by legislative acts, with all the other forms of special, partial, and class legislation, have filled the mind of the people with false

hopes of living without labor, and have thus made paper money the grand demoralizer of the nation.*

I wish you to keep the supposition in view of two independent Governments, only divided by a river. Bear in mind, that one of these Governments continued the use of gold and silver, and drafts on the deposits of gold, while the Government on the opposite side of the river chartered banks, with the power to pour paper money, promising to pay gold on demand, into their circulating medium. The natural consequence of pouring paper money into our circulation would be to raise the prices of all forms of property and labor under the Government, that issued paper money.

The prices of everything, having been raised on one side of the river, the people would naturally go to the cheap labor Government on the other side of the river to buy what they required. This trade would go on as long as their banks continued to pay specie on demand. It would not be long before the people, that inflated their currency with paper money, would find, that their trade was going over to the Government, that continued to measure all their property and labor by a gold standard. That Government would undersell the Government, that had raised the prices of all property by their use of paper money. The people in the Government of inflated currency would soon ask for a tariff to protect them against the cheap labor on the opposite side of the river, and in proportion as their prices of all labor and property increased in cost, they would find an excuse to ask for more banks and paper money, as we have done. In the course of time men would go to the banks and demand gold in large quantity, when it would be found, that the banks had promised to pay gold on demand, when it was entirely out of their power.

* Mr. Yonge, in his "History of Banking," says, that one sum of \$30,000 started three banks in one day. The money was rolled into their banks, until they could swear, that they had \$30,000 in bank, and then rolled out and sent to start another bank, and so on, until three banks were started in one day.

The men, who ought to have been digging gold, had got their corn and potatoes for paper promises without work, and as paper money was easily made, they were enabled to buy finer houses, more costly furniture, and live more expensively, and thereby tempt their neighbors to borrow these paper promises to pay gold, and give mortgages on their property, in order to live in the same style and course of extravagant expenditures as their neighbor the banker.

Finally, peremptory demands would be made for gold, as they were on the old United States Bank, when it had issued \$40,000,000 in paper, having but \$300,000 in gold to redeem it. A paper currency, when made a mortgage on the whole property of a new country, should never be allowed to exceed the amount of gold and silver, that would circulate, if there was no such thing as paper money allowed, unless it becomes absolutely necessary to increase it to save a nation's life.

In the course of my argument with the counsellor, I endeavored to show the terrible power, that the old and the new United States Bank, with its branches, had exerted in every State. I believe it can be shown, that such a bank, with its branches in all the States, would spread a net of temptations through the community, too great for poor human nature to bear. It would do this even with a good man in the control of the main bank. The good man would see, that as the banks increased their loans, prices would rise, and people increase their expenses of living, until the good president would feel it his duty to contract their accommodations, in order to check their extravagance. Such a president would be tempted to say to himself, "I certainly have a right to buy or sell with the property, that I had before I was made president of the bank." He therefore sells out all he wishes at the high prices, and tells his friends they had better sell, as they will be able to buy everything cheap, as soon as the bank withholds the accommodations, on which their customers depend.

The same temptation to make a fortune out of the ruin of

their customers was presented to the president of every branch bank in every State. As soon as an order was received from the mother bank, directing branch banks to curtail bank discounts, the presidents of all the branch banks would then be tempted to sell all they could before commencing to refuse discounts, in compliance with the order of the mother bank; as they would be sure that all property would fall in proportion to the extent of the contraction of the discounts, on which the general business was dependent. As soon as it was believed, that property had fallen to the lowest point, all the presidents and the directors of the mother bank and its branches would, not only buy property with the means they had before they were made presidents, but those of them, who were very anxious to make a fortune in a short time, would use their opportunity in buying up property on credit, at the ruinous rates, at which it would have to be sold to settle the claims, held by the bank. The presidents and their friends would feel perfectly safe in buying with money and credit, knowing as they would, that property would again rise rapidly as soon as bank discounts could be freely obtained.

I think you will agree with me in opinion, that Gen. Jackson was right in doing all, that was possible to put an end to an institution, that was building up a moneyed aristocracy on the ruin of the best and most enterprising men of the nation.

This conversation ended as we alighted from the cars, when the counsellor caught me by the arm and said, that he had never seen the subject in that light before. He then agreed with me, that all efforts to get something for nothing are a mistake, if not a species of fraud.

I have, with much hesitation, ventured to address you this letter, as my humble effort to call and fix the attention of the American people on the causes, that have led to the widespread political corruption, that now threatens with destruction all that we hold dear as a nation. I know you will agree with me as to the necessity of finding out the causes

of the evils we deplore, before we can hope for the relief, that all should desire.

The great corrupting sin of our country and the world has always been an eager effort to get the property of others, without giving an equivalent in any form of useful labor. To accomplish this purpose, our fathers commenced our history by getting the Indians' land without giving them anything of real value, and in the main drove them from their homes by force. . . .

The fact that our General Government failed to prevent the individual States from issuing what were to all intents and purposes "bills of credit," in the shape of pictures called money, and a still further inflation of the currency became necessary to save the nation. Inflation and war have raised the prices of all labor and property, and have made all regular business a game of chance, instead of a sure reward of honest labor.

We may well say with the poet:

"'Tis greatly wise to talk with our past hours,
And ask them what report they bore,
And how they might have borne more welcome news."

All can now see, how wise it would have been for the United States Government to have insisted on its right and duty to put its stamp on everything in the shape of gold, silver, copper, nickel, or paper, that has ever been allowed to circulate as money. Could this have been done, it would have borne for us more welcome news, than the present state of our currency and country now presents.

I have endeavored to show the train of evils, that have been entailed on our country by the failure of the Government to coin money and control all that has ever been allowed to circulate as money, as everything, so allowed to circulate as money, should have been based on a gold value, and made as secure as a good bond and mortgage on all the property of the country could make it. I will now attempt to show, that paper money has enriched the wealth of the

country, while at the same time it has demoralized the people by having introduced a false balance in trade.

This seeming advantage will continue as long as we are able to induce the people of cheap labor countries to continue to bring us their persons, and give us their gold in exchange for our lots, our land, and our labor at the highest valuation, that we have set on them. The lots and land they have bought at our high prices and now occupy, have more than doubled the value of all the real estate of our country; and this has enabled our people to grow rich more rapidly and live more expensively, than any other people in the world. In proof of the above, I will state, that since I have lived in the upper part of the city, I had the offer of eighteen acres of land, bounded by the Fifth Avenue, Twenty-first Street, and the Eighth Avenue, for *eleven thousand dollars*—land that would have sold two years ago for some *fifteen millions of dollars*. Unless our Government act wisely in the future, our fall may be as rapid as our rise has been great. The true object of all good government should be to find out and do those things for a people, which the people, in their individual capacity, cannot do for themselves.

The unfortunately vacillating policy, adopted by the Government in relation to the money of the country, in the course of efforts to arrive at specie payments, has already shrunk the value of all property and labor to an amount equal to all the money, spent in the war of the Rebellion. There is nothing, that will revive the fallen prosperity of our country and enable people to pay their city, town, and National debts but a wisely and well-arranged revenue tariff. It is the only means, that will enable us to pay the nation's debts. This was made clear by events, that took place in our own country between the year 1834 and 1842, when our tariff, which had just paid off our old National debt, was repealed. By this repeal our mills were stopped, as they now are; our furnaces closed; lands fell to half price; the Sheriff was at work; States repudiated their debts; the

United States were unable to borrow money at home or abroad, and bankrupt laws were passed by Congress. The tariff system was again tried in 1842, and in less than five years the production of our country, in iron alone, rose from two thousand to eight thousand tons; prosperity became universal and the public revenues greater than ever. In 1846 the Free Trade policy was again tried by repealing the tariff, and notwithstanding the enormous amount of gold, found in California, money was as high as ever; iron came in and gold went out. In 1857 the culmination was reached, and a crisis of ruin came on, when the Treasury was nearly bankrupt. In three years immigration fell below the number, that arrived twenty-eight years before.

The results of the two systems will be clearly seen by following the tariffs of 1810, 1828, and 1861, when labor was well paid, money plenty, and emigration great. We cannot too carefully contrast the prosperity, that has uniformly followed the tariff policy of our country, in comparison with the frightful consequences of an approach to Free Trade, as they appeared in 1817, 1834, and 1857, when labor was ill paid, money scarce, immigration declining, and bankrupts were numbered by thousands. If every step toward Free Trade bears such fruit, although it may look as beautiful as the whited sepulchre of old, if it is intended to operate in connection with our inflated paper-circulating medium, it should be dreaded as we would dread the presence of a pestilence.

In Mr. O'Connor's letter he recommends, that our Government should adopt, not only Free Trade, but direct taxation, as the policy of our country. The old confederacy of thirteen States attempted to maintain their Government by direct taxation and failed. That failure was due to the fact, that the several States then neglected to provide their quota of taxation for the General Government. But the presence of a multitude of tax-collectors, and the personal contact of each with the farmer and mechanic, as claimant of dues to a remote interest, like that of the General Government, has

always been regarded as a great nuisance by the common people, and has made the "tax-gatherer" in all ages a dreaded visitor. A good reason why a well-arranged revenue tariff of specific duties, raised from the smallest number of articles, that will produce the required amount, is more safe than direct taxation may be inferred from the fact, that Dr. Franklin says: "The American people, under the old Colonial Government, were so immoderately fond of the manufactures and superfluities of foreign countries, that they could not be restrained from purchasing them."

When the several States and the General Government of our country shall abolish all unwise and unnecessary laws, and cause all that remain to be so plain, clear and positive, that no man could long hold office under them without a faithful performance of the duties, enjoined by the law; when we, the people, determine, that we shall have honesty, intelligence and integrity in all places of public trust, and adopt a civil service to secure it; when a faithful discharge of duties, useful to the public, shall secure a continuance in place and a suitable pension, when worn out in the public service; when these privileges are secured to the people, we may then hope for a Government, that all can honor, respect and obey; it will then be a Government in harmony with the letter and the spirit of the Constitution, under which we live.

Lastly, let me say, that there can be no proper guarantee for the safety or perpetuity of our free institutions, till honesty and capacity shall be considered higher claims to office, than party fealty and services; and when the officers and representatives of our General and State Governments shall have no other object in administering their respective functions than "to establish justice and promote the general welfare" of the nation.

PETER COOPER.

A LETTER ON THE CURRENCY.

NEW YORK, July 12, 1875.

To the Editors and Legislators of my native City and Country :

An inextinguishable desire to do what I can, in this the eighty-fifth year of my age, impels me to call and fix the attention of the American people on the appalling causes, that have so effectually paralyzed the varied industries of our country. This destructive cause has already shrunk the value of property in less than three years to a condition, where real estate cannot be sold, or mortgages obtained on it for more than one-half the amount it would have brought three years ago.

There is nothing, that can be more important than to find out and remove a cause, that is bringing bankruptcy and ruin on millions of the most industrious and enterprising men of the American people. The national policy, that has brought this frightful calamity to our country, should receive the most thorough investigation and the most decided action of our Government.

I propose to show the true public policy, that underlies this whole question, and to indicate what appears to me, as the principles and the just methods, that ought to actuate the people, in their exercise of power through the Government, and the remedies, which that Government ought to devise. For it must ever be borne in mind, that the Government and its policy in this country, is just what we, the people, make it. It is our duty, therefore, at all times and in every way, to enlighten and exhort the people, and trust to such appeals, rather than any immediate criticism or direct appeal to the Government itself.

The whole question of the currency and money arises from the necessity of trade, or exchanges among men in the products of their industry, and the causes and methods, that make these exchanges fair, just, and beneficial to all concerned, or a means of tyranny and injustice, and an occa-

sion for the exercise of greed and selfishness. "A false balance is an abomination to the Lord; but a just weight is His delight." This proverb contains the secret of all unfairness in the dealings between man and man. Justice and truth are at the bottom of all fair exchanges, that are beneficial to both parties; but false balances and unjust weights are the means, by which the strong and the insincere oppress or deceive their fellow men.

Let us then trace, in some simple way, this necessity of exchange among men, and the process by which injustice first creeps in, and the best method of keeping the true balance and the "just weight," in the exchange of one equivalent for another.

Suppose a community or race of men to have passed that point in their progress, when simple barter is any longer the sufficient means of exchange, when some easier and more rapid method must be devised. The first thing selected for this purpose, is a concentrated and valuable form of labor, the most portable, durable, and susceptible of carrying on its very face, the record and sign of its value. Such is gold and silver money. Its value is two-fold; it is both intrinsic and representative. But it is its representative value, that makes it money, or a conventional sign and record of exchanges. So far as its intrinsic value is concerned, the exchange of a piece of gold for anything else, is simple barter. But it holds the "balance" even, and it gives a just weight for whatever is exchanged for it, because, it has cost labor to produce it.

But there comes a time, in the complex and numerous exchanges, that take place between men in a higher state of civilization, when even the barter of gold and silver for other products, concentrated and portable as is their intrinsic value, becomes too cumbrous a method and too slow to effect these exchanges fast enough, and to keep the record of them in the most convenient shape. For this purpose the intrinsic value of the means of exchange is superseded entirely by the representative. The record is taken for a time,

for the transaction itself, which, however, is assumed will take place infallibly ; and *in order to secure a real result of the exchange of values, which at first, are the subject of promise and record merely, there must be some real or assumed ability on the part of the one, who makes the promise, that he can and will make that promise good.* This is the origin of paper money. The value of this paper money, although not intrinsic, as is that of gold and silver, yet is no less real, provided, the exchange of values it is used to record, can in any way be made certain ; it must hold an "even balance," and be sure to give a "just weight" in the end. But here is the point where deceit and injustice may creep in. The paper money is always representative of value, and a mere sign of a real exchange of values to take place at some future time. It may hence be falsified or trusted blindly, and on insufficient grounds. The selfishness and greed of men, or even their groundless hopes and miscalculations may give a temporary value to this promise to pay, which it cannot sustain. This is the secret of panics, revulsions in business and prostration of credits. The lie comes to the surface sooner or later, and the credulous find themselves in the snare.

This liability increases in proportion to the want of integrity and commercial intelligence in individuals and communities, where such methods of exchange take place. Individuals are less to be trusted with such a vast interest, as the power of making paper money, than are corporate bodies of men ; and these in turn, are less to be trusted than well organized governments. Governments themselves differ very much in this respect, in proportion as they are responsible to the people and easily held in check, or rectified by the demands of public interest. Hence, a true republican government is the safest agency in the world, to entrust with the power of making paper money.

A semi-barbarous government, like the Turkish, will from time to time, even call in all the coin of the country, and reissue it again in a depreciated condition and value. So, paper money is subject to great fluctuations in value, if there

be any uncertainty in the real and permanent integrity of the power, that issues the paper, or a capricious use of its authority in determining its standard of value.

Experience has shown, that individuals cannot be trusted with such a power. Even large corporations cannot be trusted with the common welfare, involved in this privilege; and while governments are the safest depositories of this power, they must be such as are not subject either to revolution or to any radical changes of policy, or to any irresponsible exercise of power. This, it appears to me, is now the condition of our Government. Its credit has been and is now the support of one of the greatest bonded debts, by means of which the life and perpetuity of the Union have been secured. The faith of this Government now gives value to an immense paper currency, for which the law has provided no redemption. It seems preposterous, therefore, to doubt the ability of this Government to give stability to any currency, which it might adopt as indispensable to the welfare of the nation. . . . Gold is diffusible, because it is accepted by all countries as a standard of value and a means of exchange. But it is also fluctuating in any locality by the laws of production, supply and demand all over the world.

To fix upon an arbitrary and fluctuating standard, such as the worth or exchangeable value of a gold dollar, to indicate the exchangeable power of a paper dollar, is as uncertain as to take any other permanent product of human labor, such as a bushel of wheat or a pound of cotton. Nor can any standard be fixed for the value of a currency, because the uses and demand of currency are fluctuating wants. Now, the exchangeable value of anything depends upon its *convertibility into something else*, that has value *at the option of the individual*. This rule applies to paper money as to anything else. But how shall Government give an exchangeable value to a paper currency? Can it do so by a standard, which is beyond its control, and which naturally fluctuates, while the sign of exchange, indicated by the paper, remains the same?

This is the unsound state, which possesses the minds of our people and of our politicians.

We must come out of this unreasonable condition, or we shall be subject, for all time, to these periodic disturbances of our money and currency, which bring such widespread ruin and distress on our commercial industries, and work, on the part of the Government, positive and cruel injustice. The remedy seems to me to be very plain.

First.—We must put this whole power of coining money or issuing currency, as Thomas Jefferson says, “where, by the Constitution, it properly belongs”—entirely in the hands of our Government. That Government is a republic; hence it is under the control of the people. Corporations and States have hitherto, in some form or other, divided this power with the Government. Hence come the embarrassments and the fluctuations, as may be easily shown.

But now we must trust our Government with this *whole function* of providing the standards and measures of exchange, as we trust it with the weights and measures of all trade. So far from putting the people in the power of our Government, and at the caprice of parties in power, I contend, it will bring the Government more under the control of the people and give a check to mere party rule; for the more stake the people have in the wisdom and honesty of the administration of the Government, the more watchful and firm they will be in its control.

Secondly.—We must require the Government to make this currency, at all times, and at the option of the individual, *convertible*. But *the currency must be convertible into something, over which the Government has entire control, and to which it can give a definite as well as a permanent value, which is its own interest-bearing bonds*. These are, in fact, a mortgage upon the embodied wealth of the whole country. The reality of their value is as sound and as permanent as the Government itself, and the degree of their value can be determined exactly by the amount of interest the Government may think proper to fix.

This convertibility will always keep a check, both in the amount of currency and the amount of bonds, that may be called for at any time; for the bonds are property, creating an income, and the currency is merely the measure of property and the means of exchange. If currency swells in the hands of the people, it will show, that business is active, *exchanges* numerous and investments profitable. If currency shrinks and bonds increase, it will only be to the extent of those natural fluctuations, which seasons and times bring upon the productive energies of man. But at no time will either the bonds or the currency be a mere drug upon the market, for they will be mutually *convertible*.

When we look into the history of the past for the real cause of those periodical panics, that have brought financial ruin on so many of our people, we find, that on all those occasions, as in the present paralyzed condition of the trade and commerce of the country, the main difficulty has originated in the unfortunate financial policy, adopted by the General Government. A policy, that is producing for our people what the policy of the British Government has brought about for the people of that country, where the real estate of the whole of England has, in a comparatively short period, been transferred from 165,000 of the past, to 30,000 landowners of the present. And this, where the most rapid increase of wealth, perhaps, in the world, is also attended with the worst and most unequal distribution; and where, instead of a diffused happiness and universal prosperity, the rich grow richer, and the poor poorer, by constant vacillations in the measures of value.

Our own Government, instead of taking the whole subject of money and currency entirely in its hands, as provided by the Constitution, allowed, for a time, local banks to multiply and continue, until their notes, which were promises to pay specie on demand, became mere delusions, and the best informed and most prudent merchant found it impossible to distinguish those, that were redeemable or convertible into gold, from those that were not. The chartered Bank of the

United States, in the first four years of its operation, issued \$40,000,000 of paper with only \$300,000 in specie to redeem its notes. Banks evaded the law by issuing paper they were unable to redeem, when it was not wanted. The reason of this lay in the fact, that the demand for currency at times was far in excess of the quantity, that could be reabsorbed in gold, when the currency was no longer needed.

Gold was not its proper agent of conversion, because it is uncertain in volume, and is itself subject to the magnetic attraction of a foreign trade, that needs it to make up its balances.

Had the currency, which should have been all United States currency, been at once convertible into United States bonds, which, instead of locking it up, as would be the case now, should have given a small interest, until the currency was wanted again, when the bonds should *immediately* be convertible into currency, we would have escaped the panics and stagnation of trade and stoppage of industry, which has now affected the commerce of the world.

The local banks were allowed to continue, until the war of the Rebellion compelled the Government to issue a currency as legal tender, as the only advisable means of carrying on its operations for the safety of the nation's life.

In this extremity, our Government was literally compelled, as a war measure, to offer to these local banks nearly double the ordinary interest of loans, in order to induce them to lend their money to the Government, and base their banking on the bonds of the Government, and exchange their own currency for that of the United States. This great advantage, given to capital invested in the local banks, should have come to an end, when the war was over, as it was only a war measure. At the end of the war, common justice to the debtor class should have prevented the Government from doing anything to lessen the purchasing power of those legal tender notes, which the people had been literally compelled to accept for all products of their labor. The circulation should have been left simply to the natural law.

At the close of the war the legal tenders should have been made the permanent currency of the country, and the volume should not have been increased or diminished, except as per capita, with the increase of the population of the country. And further, it should have been made convertible into the bonds of the Government, over which it has entire control, and to which it could give a permanent value in interest. Instead of this, what do we find the Government doing? Resolving that at a certain future time, in 1879, the currency shall be convertible into gold! Why did not our Congress proceed to resolve, that by that time there should be gold enough in the country to absorb all the currency, that foreigners might wish to be converted into gold? But this they could not do. Hence the present unwillingness of capital to invest in business or manufacture, because the capitalist does not know what his property or his money may be worth, four years hence. This currency must be made convertible, or it cannot measure real property, or properly represent it. But its convertibility into gold cannot be made a matter of legal enactment, but must be left entirely to the laws of trade, the supply and demand for gold, as for any other commodity.

The only policy the Government could adopt to influence the influx of gold into this country, and keep its relations on a par with other commodities and with the paper currency, would be, that the Government should require its import duties to be paid in legal tenders, *adding always the premium on gold* to the amount as estimated in the paper currency. That would be desirable at present, or until the national debt is extinguished; because the Government is under obligation to pay the interest of its bonds in gold. It will have a tendency to keep the paper on a par with gold; for it will make it easier to pay the dues of the Government; besides, the superior convenience and *certain convertibility* of the paper will always have a tendency to keep it on a par, or even make it more valuable than gold. But interest-bearing bonds are purely a subject of legal enact-

ment, and hence can be controlled by the Government. This is the whole secret of the difficulty, and the real key to our financial condition. Our currency, in point of fact, is not convertible into gold. When it is not needed as at present, to the full extent of its volume to effect the exchanges or pay the wages of labor, because these are in a measure interrupted, what is to be done with it? Some say, "call it in and burn it up," that the rest may be worth its own volume in gold. But this currency has already been in circulation; it is now the measure of the whole property of the country, and has been the measure of many exchanges, and now represents the great mass of indebtedness. To bring down its relative value to that of gold is as arbitrary a measure as to bring it to the standard of any other product—that of wheat or iron, for instance.

It will place all in the power of those, who have the most gold. It will transfer a large part of the property of the country to foreigners or to those, who can readily draw gold from Europe.

But let us consider this subject more closely. *If we admit, that there is at any one time only a certain amount of gold in the world, it is certain, that our community or nation cannot obtain more than its share, without leaving all the others in a deficiency—at least for a time.*

By this means one nation has the power to derange the exchanges, and through these, the industries of every other country. The caprice and power even of a few large capitalists can do this. It would be, therefore, an unwise policy for our Government to allow this one article of gold, that all nations are struggling to obtain by the use of all the arts, that human ingenuity can devise, and which must be employed in settling all balances of trade between different countries, and which, as a product of nature and of human industry, is uncontrollable by any law, that the Government can devise—to make this the standard of all values and the legalized measure of all trade and exchange in this country, would be in direct opposition to the opinion of many of the wisest

statesmen, that our country has produced. This will appear by the following expression of their views on finance:

OPINIONS OF THOMAS JEFFERSON AND BENJAMIN FRANKLIN.

Thomas Jefferson in his letters to Mr. Eppis, volume 6 of his works, says: "Treasury bills, bottomed on taxes, bearing or not bearing interest as may be found necessary, thrown into circulation, *will take the place* of so much gold and silver. Bank paper must be suppressed and the circulation restored to the nation, to whom it belongs."

Also the great statesman and philosopher, Benjamin Franklin, in volume 4, page 82, of his works, says: "Gold and silver are not intrinsically of equal value with iron. Their value rests chiefly in the estimation they happen to be in, among the generality of nations. Any other well founded credit is as much an equivalent as gold and silver. Paper money, well founded, has great advantages over gold and silver; being light and convenient for handling large sums; and not likely to have its volume reduced by demands for exportation. On the whole, no method has hitherto been formed to establish a medium of trade, equal in all its advantages to bills of credit, made a general legal tender."

DANIEL WEBSTER'S OPINION.

The following is an extract of constitutional argument of Daniel Webster, affirming the right and power of the Government of the United States to take exclusive control over the standard of value and medium of payment:

"Among the objects, sought to be secured by the Constitution, were commerce, credit and mutual confidence in matters of property; and these required, among other things, a uniform standard of values, or mediums of payment. One of the first powers, given to Congress, therefore, is that of coining money and fixing the value of foreign coins; and one of the first restraints, imposed on the States is the total prohibition to coin money.

"These two provisions are industriously followed and

completed, by denying to the States all the powers of emitting bills of credit, or making anything but gold or silver a tender in payment of debts. The whole control, therefore, over the standard of value and medium of payments is vested in the General Government. And again, collating the grant to Congress, and the prohibition on the States, a just reading of the provision is this: 'Congress shall have the power to coin money, regulate the value thereof and of foreign coin, emit bills of credit, or make anything besides gold and silver coin, a legal tender in payment of debts.'"

In view of this, Mr. John G. Drew, a financial writer of New Jersey, pertinently asks:

"Where, we ask, then, under the Constitution, have the States any power to charter corporations with privileges, that they themselves cannot exercise; or where does Congress acquire the right to transfer such a vast power to a few favored capitalists?"

JOHN C. CALHOUN'S OPINION.

The following is an extract from a speech of Hon. John C. Calhoun, in the Senate of the United States, on the currency issue, and is eminently appropriate to be quoted in the prevailing discussion:

"It appears to me, after bestowing the best reflection I can give the subject, that no convertible paper, that is, no paper, whose credit rests on the promise to pay, is suitable for a currency. It is the form of credit proper in private transactions between man and man, but not for a standard of value, to perform exchanges generally, which constitutes the approximate function of money or currency. No one can doubt but that the Government credit is better than that of any bank—more stable and more safe. Bank paper is cheap to those, who make it, but dear, very dear to those, who use it. On the other hand, the credit of the Government, while it would greatly facilitate its financial operations, would cost nothing, or next to nothing, both to it and the people, and would of course add nothing to the cost of production, which

would give every branch of our industries, agriculture, commerce and manufactures, as far as its circulation might extend, great advantages, both home and abroad ; and I now undertake to affirm, and without the least fear, that I can be answered, that a paper issued by Government, with the simple promise to receive it, for all its dues, would, to the extent it could circulate, form a perfect paper circulation, which could be as uniform in value as the metals themselves ; and I shall be able to prove, that it is within the Constitution and powers of Congress to use such a paper in the management of its finances, according to the most rigid rule of construing the Constitution."

SPENCER ON FINANCE.

Herbert Spencer stands among the first writers and thinkers of this age. He studies and writes for the sake of truth. Hence the following from his pen will be fresh and invigorating to thirsty souls of this time :

"The monetary arrangements of any community are ultimately dependent, like most other arrangements, on the morality of its members. Amongst a people altogether dishonest every mercantile transaction must be effected in coin or goods ; for promises to pay cannot circulate at all when, by the hypothesis, there is no probability, that they will be redeemed. Conversely, amongst perfectly honest people, paper alone will form the circulating medium, and metallic money will be needless. Manifestly, therefore, during any intermediate state, in which men are neither altogether dishonest nor altogether honest, a mixed currency will exist ; and the ratio of paper to coin will vary with the degree of trust individuals place in each other.

"There seems no evading this conclusion. The greater the prevalence of fraud, the greater will be the number of transactions, in which the seller will part with his goods only for an equivalent of intrinsic value ; that is, the greater will be the number of transactions, in which coin is required, and the more will the metallic currency preponderate. On

the other hand, the more generally men find each other trustworthy, the more frequently will they take payment in notes, bills of exchange and checks; the fewer will be the cases, in which gold and silver are called for, and the smaller will be the quantity of gold and silver in circulation."

RICARDO.

The pretensions of those, who are attempting to drive this country back to the barbarism of a metallic basis for our currency, are fast giving away for want of argument. It is being discovered, that all the great writers, who have analyzed the subject, and viewed it from a scientific standpoint, came to the conclusion, that paper is superior to metal for a currency. Even Ricardo, the high priest of the bullionists, the father of the present British system, allows this. He says:

"A regulated paper currency is so great an improvement in commerce, that I should greatly regret, if prejudice should induce us to return to a system of less utility. The introduction of the precious metals, for the purposes of money, may with truth be considered as one of the most important steps toward the improvement of commerce and the arts of civilized life. But it is no less true that, with the advancement of knowledge and science, we discover, that it would be another improvement to banish them again from the employment, to which, during the less enlightened period, they had been so advantageously applied."

THE REMEDY.

HENRY CARY BAIRD, of Philadelphia, says:

"The only system, ever devised for furnishing a country with a volume of money in exact accordance with the needs of that country—neither in deficiency nor in excess—is that, by which it is proposed, that the public debt of the United States shall be converted into bonds, bearing 3.65 per cent. interest, and legal tender notes interchangeable with each other, at the pleasure of the holder.

It appears by a speech of W. W. Allen, Esq., that there

had been drawn from the people, in the shape of taxes and duties during eight years, between the 31st of August, 1865, and the first of November, 1873, the amount of \$631,488,677, making a reduction of the national debt in eight years of \$631,488,677, showing, that an annual amount of \$195,113,356 has been drawn from the people, in the shape of taxes, and paid towards the extinguishment of our national debt. This amount was over and above the amount, drawn from the people to pay all the expenses of the Government in addition to the amount, required to pay the interest on the national debt.

Such a rapid withdrawal of the people's means from their ordinary business, is quite sufficient to account for the ruin, now brought on untold thousands of the American people.

For our Government to continue such a policy and go on drawing taxes from the people, as they have done to extinguish the national debt, before it is either due or wanted by those, who hold it, is about as wise as it was for Pharaoh to expect his people to make bricks without straw.

The people could and would willingly have paid the five dollars interest on every hundred dollars of the national debt. They could have paid the interest on the debt with enough of the principal to show, that they honestly intended to pay the whole amount.

This they could and would have done, if they had been permitted to retain the tools of their trades; the amount of currency, on which they were compelled to depend for their ability to pay the taxes on the cost of the war.

I believe I have shown, that the policy, adopted by our Government to hasten a return to specie payments, has rendered the attainment of that object more distant and difficult, than it was at the close of the war of the Rebellion.

I am now convinced, that an opposite policy, one that would have legalized all the Government money in circulation at the close of the war, making it convertible into interest-bearing bonds, and reconvertible into currency at the will of the holder, would have established justice between the peo-

ple and the Government, and would have caused our currency to appreciate to the value of gold long before this. It would have left the money, the sinews of war, the tools of trade, in the hands of the people, to enable them to meet the expenses incurred, and make the necessary provisions for the hundreds of thousands of disbanded soldiers, thrown back on their homes to find employment or starve.

In conclusion, I would say, that we have every reason to hope for our country. But we must not trust in the amount of our gold or other riches, but in the principles of our Constitution as free people, and in the free development of all our magnificent resources. We must turn again the tide of immigration, which is now leaving our shores. We can do this, as in the past, by continuing to offer a better reward for labor, and cheaper land for settlement, by a faithful administration of our laws in the interests of the people, and not of classes or monopolies, and by trusting in all questions of money and currency to the integrity and power of our Government, and not placing ourselves at the mercy of foreign capitalists nor submitting tamely to that war of commerce, which every nation is willing to make upon us, if we do not take effectual means for our own self-preservation.

PETER COOPER.

PETER COOPER'S "NEW DEPARTURE."

To the Editors of the Evening Post:

In some of your late issues I find an article by "S. S. P.," entitled "Peter Cooper's New Departure," and an article with a similar title by my old and valued friend, John B. Jarvis. These communications allude to the fact, that seventeen years ago I held it to be unsafe for the public welfare, as I now do, to allow banks to incur liabilities, payable in specie on demand, by issues of paper and loans many times the amount of the specie they held in their vaults, or could obtain from any source, for the immediate payment of their

notes in gold on demand. This demand was made with all the accompanying disasters of widespread ruin and interruption of credit and industry in times called "panics." The effect of the panic of 1857, and the causes are very clearly detailed in Mr. Caldwell's work on "Ways and Means of Payment," p. 485.

Gold is a commodity and a product of industry. Its value is determined, like that of any other commodity, by supply and demand. Why not let those, who need it, pay the price? Why should the necessary facilities of the home trade be contracted, whenever there is a demand for gold for export? This it is that subjects the whole country, from time to time, to a fall or derangement in prices, and an interruption to business. Even with our present irredeemable legal tenders, all must see that, when gold varies five per cent. in a few days, neither the value of these legal tenders, as measured by other property, nor the rest of the property of the country, is perceptibly affected. My "new departure," as my friends term it, is the result of observation and experience. I should be sorry to be among those, who learn nothing from the past. "Hard money," or what is equivalent to it, a paper currency at all times redeemable in gold and silver, can no longer be relied on to answer the wants of this country. But I am as much opposed to an irredeemable currency and an inflated and irresponsible paper money, as I ever was. Our experience as a nation should have taught us by this time, by the "panics" of the past and the oft-repeated failures of banks, that these banks are utterly unable to redeem their notes in specie, whenever gold is wanted of them in any large quantities. It is evident, that there is some intrinsic difficulty about this redemption in specie, beyond the power either of banks or of Government to control. I trust, that my friend, John B. Jarvis and "S. S. P." will find, on a more careful examination of what I have written, that I am as much opposed to an irresponsible, inflated paper currency as I ever was. I am now opposed to the present currency, so far as it is irredeemable; but I am

also opposed to the policy of withdrawing the currency from circulation, until the residue shall be on a par with gold; because that would work great injustice to the debtor class. I do not believe in the good policy of selling Government bonds, as a means of resuming specie payments, as it will soon be drained from us again, leaving our paper as it was before, irredeemable in gold; nor in the purchase of silver to take the place of the best small paper currency our country has ever possessed. It is a currency, that is now serving the country without interest, and is giving back to the whole people whatever is lost or worn out in the public service. But let the currency at all times be exchangeable with interest bearing bonds, and let the Government not only make its money a legal tender, but receive it for all dues, and we shall hear no more either of "inflation" or of "depreciation." This is my doctrine "in a nut-shell." I believe, with Jefferson and many of our wisest statesmen, that our General Government is as much bound by the Constitution to hold the entire control of all that is allowed as a legal money measure, in the regulation of trade and commerce, as they are bound to fix a standard for the pound weight or the bushel measure; that this measure of value should be made as unfailing and unalterable as possible; and that the currency should always compare well with the most condensed and valuable form of human labor, as it is now found in gold. But after the most mature reflection, I find myself compelled to believe, with Benjamin Franklin, "that any other well-founded credit is as much an equivalent for labor as gold and silver." He says, what all now know to be true, "that paper money, well founded, has great advantage over gold and silver, being light and convenient for handling in large sums, and not likely to have its volume reduced by demand for exportation. "On the whole," he says, "no method has hitherto been found to establish a medium of trade equal, in all its advantages, to bills of credit made a general legal tender."

That such a policy is practicable is proved by the fact,

that the French Government has made and maintained a legal-tender paper circulation through one of the fiercest and, to them, the most disastrous wars of modern times; and, having paid a thousand millions of indemnity, their paper money is to-day almost on a par with gold. This is, because the Government took its own paper for all dues, instead of discrediting it, by not taking it, as ours does. They take their paper also for French Government bonds, which has resulted in the public debt being mainly due to their own citizens, instead of foreigners, as ours is to-day, thus becoming a perpetual tax on the resources of the country.

My efforts to avoid the evils, that have befallen the finances of our country, will appear in petitions, sent by me to Congress, etc. . . .

In conclusion, I would say, that ever since paper money was issued by any civilized country, it has generally been assumed, that one dollar in coin would float from three to five dollars in paper; but this has only been true in times of expanding credits. As soon as contraction came from any cause, a panic ensued, for it was found, that a dollar in coin was needed for every dollar in paper. Why then keep up this vain fiction any longer? It can only serve to expand credits to an unwarrantable degree, while it permits another class to contract credits suddenly, and to a ruinous degree. It leads inevitably to panics. Now, it seems to me there is a plain way out of all these financial difficulties. If currency is issued only as an equivalent of bonds, then every dollar of the currency is at all times sustained, or floated by an equal value of the bonds of the Government. An expansion of currency can go no further than the actual equivalent, received by the Government for its bonds. A contraction of currency can go on no faster, than the conversion of the paper into bonds. Panics will be impossible, because there will always be a means, by which real assets can be at once converted into money. It is this want of ready conversion, that causes panics and ruins, even in well-founded houses, etc.

I have lived too long to enter now, at this late day of my protracted life, into the mere partisan disputes of the day. I have no other object or interest, than the welfare of the whole people of my country ; and, believing as I do, I should hold myself very much to blame, if I withheld my feeble testimony in this important crisis of the country, and on a question involving such momentous consequences as a sound currency and a true financial system. On these we must depend for the future prosperity and happiness of the whole industrial class, with whom I have ever been in sympathy. I confess to a most profound anxiety for all those, who, with their best efforts, find life a great struggle for a bare subsistence.

These troubles will be greatly lessened when gold becomes, as it should be, only a guide in the exchanges of commerce, as the mariner looks at the North star as his best guide over a dangerous ocean.

PETER COOPER.

ADDRESS OF THE NATIONAL INDEPENDENT PARTY TO THE
CONVENTION AT INDIANAPOLIS, MAY 17, 1876.

Gentlemen of the Convention :

We have met, my friends, to unite in a course of efforts to find out, and, *if possible*, to remove a cause of evil, that has shrunk the value of the real estate of the nation to a condition, where it cannot be sold, or mortgages obtained on it for much more than one-half the amount, that the same property would have brought three years ago. This dire calamity has been brought on our country by the acts of our Government. The first act took from the national money its power to pay interest on bonds and duties on imports. The second act has contracted the currency of the country, until it has shrunk the value of property to its present condition by destroying public confidence ; and that without skrinking any of the debts contracted in its use.

I do most humbly hope, that I will be able to show the fatal causes, which have been allowed to operate and bring this wretchedness and ruin to the homes of untold thousands of men and women throughout our country.

Facts will show, that it was the unwise acts of our own Government, that have allowed a policy to prevail, more in the interest of foreign Governments than our own.

It was these unwise acts of legislation, that brought discredit on our national money, as I have said, by introducing into the law, which created it that *terrible* word *except*, which took from our legal money its power to pay interest on bonds, and duties on imports.

The introduction of that little word *except* into the original law *drew tears from the eyes* of Thaddeus Stephens, when he looked down the current of events and saw our bonds in the hands of foreigners, who would be receiving a gold interest on every hundred dollars of bonds, that cost them but fifty or sixty dollars in gold.

But for the introduction of that word *except* into the original law, our bonds would have been taken at par by our own people, and the interest would have been paid at home in currency, instead of being paid to foreigners in gold.

An additional calamity has been brought on our country by a national policy, that has taken from the people their *currency, the tools of their trades*, the very life-blood of the traffic and commerce of our country.

Facts show, that in 1865 there were in the hands of the people, as a currency, \$58 *per head*, and that at a time of our *greatest national prosperity*.

We have now arrived at a time of unequalled adversity, with a currency in 1875 of \$17 $\frac{23}{100}$ *per head*, with failures, amounting to two hundred millions of dollars in a year.

Among the causes, that now afflict the country, it may be well to look at the enormous increase in our foreign importations, which amounted to 359 millions in the year 1868, increased to 684 millions of dollars in 1873, and were 574 millions of dollars in 1875.

I think you will agree with me, when I say, that prosperity can never be restored to our beloved country by a national policy, that enforces idleness and financial distress on so vast a number of the laborers and business men of this country. Our nation's wealth must forever depend on the application of knowledge, economy, and well-directed labor to all the useful and necessary purposes of life, but also a proper legislation for the people.

The American people can never buy anything cheap from foreign countries, that must be bought *at the cost of leaving our own good raw materials unused, and our own labor unemployed.*

I find myself compelled to believe, that much of the past legislation of our country, in reference to tariff and currency, has been adopted under the advice and influence of men in the interest of foreign nations, that have a direct motive to mislead and deceive us. Our prosperity as a nation will commence to return, when the Congress of our country shall assume its own inherent sovereign right to furnish all the inhabitants of the United States a redeemable, uniform, unfluctuating national currency.

I do heartily agree with Senator Jones, when he says, that "the present is the acceptable time to undo the unwitting and blundering work of 1873; and to render our legislation on the subject of money, consistent with the physical facts concerning the stock and supply of the precious metals throughout the world, and conformable to the Constitution of our country."

I sincerely hope, that the concluding advice of Senator Jones will make a living and lasting impression, when he says, speaking to the present Senate, "We cannot, we dare not, avoid speedy action on the subject. Not only does reason, justice and authority unite in urging us to retrace our steps, but the organic law commands us to do so; and the presence of peril enjoins what the law commands."

The Senator states a most important fact, and one which

all know to be true, "that by interfering with the standards of the country, Congress has led the country away from the realms of prosperity, and thrust it beyond the bounds of safety." He says, truly, "to refuse to replace it upon its former vantage-ground would be to incur a responsibility and a deserved reproach, greater than that, which men have ever before felt themselves able to bear."

It will require all the wisdom, that can be gathered from the history and experience of the past, to enable us to work out our salvation from the evils, which an unwise legislation has brought on our country.

It will be found, that nothing short of a full, fair and frank performance of the first duty, enjoined on Congress by the Constitution, will ever restore permanent prosperity to us as a nation.

It is a remarkable fact, that the most essential element of our colonial and national prosperity was obtained by the use of the *legal tender paper money*—the very thing, that our present rulers seem now determined to ridicule and bring into contempt. We are apt to forget, that the continental money secured for us a country, and the greenback currency has saved us a nation.

Sir A. Alison, the able and indefatigable English historian, has borne testimony to the superior power and value of paper money. He says: "When sixteen hundred thousand men, on both sides, were in the continental wars with France in Germany and Spain alone, where nothing could be purchased except by specie, it is not surprising, that guineas went, where they were so much needed, and bore so high a price. . . . In truth such was the need of precious metals, owing to this cause, that one-tenth of the currency of the world was attracted to Germany as a common centre, and the demand could not be supplied; and by a decree in September, 1813, from Peterwalsden, in Germany, the allied sovereigns issued paper notes, guaranteed by Russia, Prussia, and England. These notes passed as cash from

Kamtschatka to the Rhine, and gave the currency, which brought the war to a successful close."

In a recent edition of the "History of Europe," Sir A. Alison gives an additional evidence of the important advantages, which experience has demonstrated to result from the use of paper currency.

He says: "To the suspension of cash payments by the act of 1797, and the power in consequence, vested in the Bank of England, of expanding its paper circulation in proportion to the abstraction of a metallic currency, the wants of the country and the resting of the national industry on a basis, not liable to be taken away by the mutations of commerce or the necessities of war—it is to these facts, that the salvation of the empire must be ascribed. . . . It is remarkable, that this admirable system, which may be truly called the working power of nations during war, because at the close of the war the object of the most determined hostility on the part of the great capitalists and chief writers of Political Economy in the country. . . . "Here, however," says Alison, "as everywhere else, experience, the great test of the truth, has determined the question. The adoption of the opposite system of contracting the paper currency, in proportion to the abstraction of the metallic currency by the acts of 1819 and 1844, followed, as they were, by the monetary crises of 1825, 1839 and 1847, have demonstrated beyond a doubt, that it was in the system of an expansive currency, that Great Britain, during the war, found the sole means of her salvation. From 1797 to 1815 commerce, manufactures and agriculture advanced in England, in spite of all the evils of war, with a rapidity greater, than they had previously done in centuries before. This proves beyond a doubt the power of paper money to increase the wealth of a nation."

It is worth while to observe, that this same Sir A. Alison, who speaks so wisely on this subject in reference to the history of his own country, while scanning a few years ago the prosperity of our country, during the war of the Rebellion

and immediately after, has a foreboding of what might happen, and remarks: "The American Government may make financial and legislative mistakes, which may check the progress of the nation and counteract the advantages, which paper money has already bestowed upon them; they may adopt the unwise and unjust system, which England adopted at the close of the French war; they may resolve to pay in gold, and with low prices, the debt contracted with paper and with high prices. But whatever they may do," he adds, "nothing can shake the evidence, which the experience of that nation during the last six years affords of the power of paper money to promote a nation's welfare."

Sir Walter Scott, in his "*Malachi Margrowther's Letters*," shows how the wealth of a nation is increased by paper money. "I assume," he says, "without hazard of contradiction, that banks have existed in Scotland for nearly one hundred and twenty years; that they have flourished, and the country has flourished with them; and that during the last twenty years particularly the notes, and especially the small notes, which the banks distribute, supply all the demand for a medium of currency. This system has so completely expelled gold from Scotland, that you never by any chance espy a guinea there, except in the purse of an accidental stranger, or in the coffers of the banks themselves. But the facilities, which this paper has afforded to the industrious and enterprising agriculturists and manufacturers, as well as to the trustees of the public, in executing national works, have converted Scotland from a poor, miserable, barren country into one where, if nature has done less, art and industry have done more than, perhaps, in any other country in Europe, England not excepted."

President Grant, in his message of 1873, said: "The experience of the present panic has proven, that the currency of the country, based, as it is, upon its credit, is the best that has ever been devised. . . . In view of the great actual contraction, that has taken place in the currency, and the comparative contraction continuously going on, due to

the increase of the population, the increase of manufactories and of all industries, I do not believe there is too much of it now for the dullest period of the year."

Notwithstanding these recommendations of the President, Congress has continued to tax the people and contract the national currency in a vain effort to arrive at specie payments.

Our Government should have left that amount of currency in the hands of the people, which the necessities of war had compelled it to put in circulation, as the only means of the national salvation.

Every dollar of currency, paid out, whether gold, silver, or paper, was given out for value received, and thus became, by the act of the Government, a valid claim for a dollar's worth of the whole property of the country. Hence not a dollar of it should ever have been withdrawn.

It is now almost universally believed, that had the Treasury notes continued, as at first issued, to be received for all forms of taxes, duties and debts, they would have circulated to this day, as they did then, as so much gold, precisely as the Government paper did circulate in France, when put upon the same footing.

This would have saved our country more, than one-half of the amount of the whole expenses of the war in the present shrinkage of values, and the interruption to honest industry. It would have saved us also from the perpetual drainage of gold to pay interest on our foreign indebtedness.

Gentlemen of the Convention, I have heretofore enlarged upon what seemed to me the true financial policy of this country in pamphlets and writings, that I have had the honor to lay before the country, so that it would be a vain repetition to go much into that subject now.

The paper currency, commonly called *legal tenders* or greenbacks, was actually paid out for value received as so much gold, when gold could not be obtained.

This being an incontrovertible fact, it follows, that every Treasury note, demand note, or legal tender, given out as

money, in payment for any form of labor and property, received by the Government, became, in the possession of its owners, real dollars, that could not be taken constitutionally from the people, except by uniform taxes, as on other property.

But whether our currency will be always on a par with gold or not, I have shown from history, and incontrovertible facts prove it, that the commercial and industrial prosperity of a country do not depend upon the amount of gold and silver there is in circulation. Our prosperity must continually depend upon the industry, the enterprise, the busy internal trade and a true independence of foreign nations, which a paper circulation, well based on sound credit, has always been found to promote.

But I believe prosperity can never again bless our glorious country, until justice is established, by giving back to the people the exact amount of currency, found in circulation at the close of the war. That was the price of the nation's life. It ought to be restored and made the permanent and unfluctuating measure of all values, through all coming time—never to be increased or diminished, only, as *per capita*, with the increase of the inhabitants of our country.

This currency must be made receivable for all forms of taxes, duties and debts, and convertible into interest-bearing bonds, at some equitable rate of interest, and reconvertible into the currency at the will of the holder. This, we believe, will secure uniformity of value to a degree, that gold has never attained. President Steele, of Lawrence University, has well said on this subject:

"In fixing a standard, it is essential to select something, that is as nearly as possible invariable: The conventional unit of lineal measure must not be a line, which averages a foot, though it may be fourteen inches to-day and nine inches to-morrow. The bushel measure should not contain two or three quarts more or less at one time than at another. For the same reason it is desirable, that the unit of *value*

should have the same purchasing power next week, that it has now."

In conclusion, Gentlemen, I think we have reason to congratulate ourselves on the great awakening of the public mind in regard to this question of finance. The people are beginning to recognize their rights and their duties in this matter. I think the time has come to exhort every one to go to the ballot-box and select good and true men, who will legislate in accordance with justice, the Constitution and the true interests of the people; and give us what will always stand as a monument of political wisdom, a true national currency.

With devout wishes for the success of all measures, tending to this object, I remain yours, in the common interests of our beloved country,

PETER COOPER.

THE PLATFORM OF THE INDEPENDENT PARTY.

The following is the platform of the Independent Party, as adopted by its National Convention at Indianapolis:

"The Independent Party is called into existence by the necessities of the people, whose industries are prostrated, whose labor is deprived of its just reward, as the result of the serious mismanagement of the national finances, which errors both the Republican and Democratic parties neglect to correct. In view of the failure of these parties to furnish relief to the depressed industries of the country, thereby disappointing the just hopes and expectations of a suffering people, we declare our principles and invite all independent and patriotic men to join our ranks in this movement for financial reform and industrial emancipation.

First—We demand the immediate and unconditional repeal of the Specie-resumption Act of January 14, 1875, and the rescue of our industries from the disaster and ruin, resulting from its enforcement; and we call upon all patriotic men to organize in every Congressional district of the country,

with the view of electing representatives to Congress, who will legislate for, and a Chief Magistrate, who will carry out the wishes of the people in this regard, and thus stop the present suicidal and destructive policy of contraction.

Second—We believe, that United States notes, issued directly by the Government and convertible on demand into United States obligations, bearing an equitable rate of interest (not exceeding one cent a day on each one hundred dollars), and interchangeable with United States notes at par, will afford the best circulating medium ever devised; such United States notes should be a full legal tender for all purposes, except for the payment of such obligations as are by existing contracts expressly made payable in coin. And we hold, that it is the duty of the Government to provide such a circulating medium, and we insist, in the language of Thomas Jefferson “that bank paper must be suppressed and the circulation restored to the nation, to whom it belongs.”

Third—It is the paramount duty of the Government in all its legislation to keep in view the full development of all legitimate business, agricultural, mining, manufacturing and commercial.

Fourth—We most earnestly protest against any further issue of gold bonds, for sale in foreign markets, by means of which we would be made, for a longer period, hewers of wood and drawers of water for foreign nations, especially as the American people would gladly and promptly take at par all the bonds the Government may need to sell, provided they are made payable at the option of the holder, although bearing interest at three and sixty-five one-hundredths per cent. per annum, or even a lower rate.

Fifth—We further protest against the sale of Government bonds for the purpose of buying silver to be used as a substitute for our more convenient and less fluctuating fractional currency, which, although well calculated to enrich the owners of silver mines, yet in operation will still further oppress through taxation an already overburdened people.”

PETER COOPER'S ACCEPTANCE.

NEW YORK, May 31, 1876.

Hon. MOSES W. FIELD, Chairman, and Hon. THOMAS J. DURANT, Secretary of the National Executive Council of the Independent Party:

GENTLEMEN—Your formal, official notification of the unanimous nomination, tendered by the National Convention of the Independent Party at Indianapolis, on the 17th instant, to me for the high office of President of the United States is before me; . . . together with an authenticated copy of the admirable platform, which the Convention adopted.

While I most heartily thank the Convention through you for the great honor they have thus conferred upon me, kindly permit me to say, that there is a bare possibility, if wise counsel prevails, that the sorely needed relief from the blighting effects of past unwise legislation, relative to finance, which the people so earnestly seek, may yet be had through either the Republican or Democratic party; both of them meeting in national convention at an early date.

It is unnecessary for me to assure you that, while I have no aspiration for the position of Chief Magistrate of this great Republic, I will most cheerfully do what I can to forward the best interests of my country.

I, therefore, accept your nomination, *conditionally*, expressing the earnest hope, that the Independent Party may yet attain its exalted aims, while permitting me to step aside and remain in that quiet, which is most congenial to my nature and time of life.

Most respectfully yours,

PETER COOPER.

(From the New York Mercantile Journal.)

"The New York *Herald* has just sent one of its corps to Peter Cooper, who thus was led to give a casual review of

the present financial and political situation. It is needless for us to say, that anything, dictated by Mr. Cooper's clear head and honest heart, is eminently worthy of attention":

"With a split at St. Louis," said our venerable fellow-citizen, Mr. Peter Cooper—"with a split at St. Louis and the election of President, thrown into the House of Representatives, I regard my possible selection as President of the United States with positive alarm. And yet, continued the aged patriot, as a mild zephyr from the southwest wind gently lifted his locks and brushed them out upon his shoulder—and yet I am ready for the sacrifice. It's hard to give up the comforts and conveniences of a home in exchange for the push and tussle of a life in Washington; but I will respond to the call of my country. For her sake I am ready to give up life itself. So probable is the success of the 'soft money ticket' that I am most anxious, if I can retire with honor, to have Governor William Allen, of Ohio, in my place. The people don't know that man enough. In the early days, when these principles were but little understood, Bill Allen was firm and uncompromising. He was able, bold, clear, defiant, enlightened, far-seeing and thoroughly well-informed on this great subject of finance—so little comprehended, even now, by many, who write and talk with most pretense. The *Herald* of this morning gives the world a good idea of Governor Allen. It could not be improved on. At dinner to-day Judge Proctor Knott, of the House of Representatives, told me, that he knew Governor Allen well, and that he is one of the ablest and purest of men. All accounts agree in representing him as a singularly able man, of keen foresight, sound judgment, and practical sense. Allen is a man of tremendous nerve. He is firmness personified, and, if he were President, the people would understand, that they had a man at the helm with a will of his own, and a conscience behind it.

REPORTER—"You appear confident of a split at St. Louis."

MR. COOPER—Yes, sir, I do. We can hope for nothing from the Republicans. They are joined to their idols. Hard-

money is their god, and an absurd divinity it is to be sure. I wonder, if they ever read Ben Franklin. Ben was a great man in his way. And how admirably he put this very matter years and years ago. He said :—"Gold and silver are not intrinsically of equal value with iron. Their value rests chiefly in the estimation they happen to be in among the generality of nations. Any other well founded credit is as much an equivalent as gold or silver. Paper money, well founded, has great advantages over gold and silver, being light and convenient for handling large sums, and not likely to have its volume reduced by demands for exportation. On the whole, no method has hitherto been formed to establish a medium of trade equal in all its advantages to bills of credit made a general legal tender." Of course, the Republicans see no wisdom in this. They have found a convenient war-cry, and will doubtless hold to it. So I place them entirely one side. They will nominate their candidate distinctively as a hard-money man. For him the hard-money Republicans will vote, of course. If there shall be at the same time an objectionable soft-money man in the field, for whom would the soft-money Republicans be most likely to vote in this crisis? And this is a crisis. It is a crisis, which may well make a patriot tremble. We are drifting to bankruptcy, thence to starvation, and thence to revolution, etc. . . . Mr. Tilden came into line in time to join the hurrah and get his reward. . . . The three tickets will go before the people. There'll be no choice. And then I see, with dread and apprehension, that, as General Butler said in the *Herald* on Saturday, the soft-money ticket will sweep the House. Governor Allen must be on that ticket, and yet, if Heaven wills it so, I am ready to be sacrificed.

R.—"Not much of a sacrifice either, is it? Peter Cooper President and \$50,000 a year isn't a very awful fate."

Mr. C.—Well, Mr. Allen is some years younger than I am. As for the \$50,000, I shouldn't touch the money. I should give it away, or turn it over to the Cooper Union, perhaps.

R.—“Are the strikers after you much?”

Mr. C.—Tolerably, or rather intolerably. I get letters and applications from everywhere and everybody. A great many newspapers want help in carrying on the great principles of soft-money doctrines. They are mainly from the West, but some are nearer home. The *Herald* is always very courteous in printing facts and news about us and our progress. I don't intend to send these applicants any money, but I send all of them my pamphlets and our documents for their comfort and instruction. I get letters from all sections of the country, giving information about organizations, and before long demonstrations will be made. The labor unions are taking an active interest in the matter. The Bricklayers' Union are heart and soul in the movement. They tell me they see the folly of strikes, and hope to be able to carry their points hereafter without recourse to that absurdity. The laboring men of the country seem to have confidence in me as one of themselves, and that may make it difficult and inexpedient to substitute Governor Allen for me, but I fervently hope and pray to effect that end, etc. . . .

“WASHINGTON, February 21, 1874.

MY DEAR SIR—Accept my thanks for your long and instructive letter about finance. I have read it carefully and hope to profit by your suggestions.

With high respect,

Your obt. Ser't.

ROSCOE CONKLING.

THE HONORABLE

PETER COOPER,

New York.

ADDRESS AT MUSIC HALL, NEW HAVEN, CONN., March 31,
1876.

(From the New Haven Union.)

“The spacious edifice was crowded in every part; the aisles and lobbies, being packed and every seat taken, before the

meeting was called to order. Hundreds were turned away unable to get even a glimpse of the platform, or within hearing of the speakers, etc., . . . magnificent was the sight, when that grand old man, Peter Cooper, rose to offer words of advice to the mighty throng! The audience treated the great American philanthropist to a perfect ovation, and every heart seemed to swell with pride and emotion when the workingman's benefactor stood before them in animated form. It falls to the lot of few men to have such homage paid them, while in the flesh; but the Father of the Universe is just, and Peter Cooper in hoary old age receives, as he deserves, the greatest tributes, that can be offered by a grateful people to one of their fellows, whose whole life has been devoted to humanity and the elevation of the poor and lowly.

We know—we feel in our very soul—that the truthful words of advice, offered by the world's greatest philanthropist, were not in vain. Mr. Cooper is beyond the villification of political manipulators and subsidized editors. No man can be found so base as to charge, that he, in his eighty-seventh year, would journey seventy-five miles for the purpose of aiding a fraudulent or an unrighteous cause. The instincts of the honest old veteran teach him, that this country is being led on to destruction under the guidance of the money power, and, though at painful sacrifice, he feels it his duty to warn the people of their danger. Peter Cooper is no illusionist. He does not desire repudiation or inflation. He is the personification of Honesty and Truth, and all the wealth in the world would not induce him to espouse a dishonest cause, etc.,

A part of the words of solid truth, given by Mr. Cooper on this occasion, were as follows:

The worth or exchangeable value of gold is as uncertain as other products of human labor, such as wheat or cotton. The exchangeable value of anything depends on its *convertibility into something else*, that has value *at the option of the individual*. This rule applies to paper money as to

anything else. But how shall Government give an exchangeable value to a paper currency? Can it be done by a standard, which is beyond its control and which naturally fluctuates, while the sign of exchange, indicated by the paper, remains the same?

This is the unsound theory which possesses the minds of our people and of our politicians.

We must cut loose from this unreasonable theory, or we shall be subject, for all time, to these periodic disturbances of our currency, which bring such wide-spread ruin and distress to our commercial industries, and work, on the part of the Government, *positive and cruel injustice*. The remedy seems to me to be very plain.

FIRST.—We must put this whole power of coining money or issuing currency, “where,” as Thomas Jefferson says, “by the Constitution, it properly belongs”—entirely in the hands of our Government. That Government is a Republic; hence it is under the control of the people. Corporations and States have hitherto, in some form or other, divided this power with the Government. Hence come the embarrassments and the fluctuations, as may be easily shown.

But now we must trust our Government with this *whole function* of providing the standards and measures of exchange, as we trust it with the weights and measures of trade. So far from putting the people in the power of our Government and at the caprice of parties in power, I contend it will bring the Government more under control of the people and give a check to mere party rule. For the more stake the people have in the wisdom and honesty of the Government, the more watchful and firm they will be in its control.

SECONDLY.—We must require the Government to make this currency, at all times, and, at the option of the individual, *convertible*. But the currency must be convertible into something, over which the Government has entire control, and to which it can give a definite as well as a permanent value. This is its own *interest-bearing bonds*. These are,

in fact, a mortgage upon the embodied wealth of the whole country. The reality of their value is as sound and as permanent as the Government itself, and the degree of their value can be determined exactly by the rate of interest the Government may think proper to fix.

If I should speak to you for hours on this subject, I could only enlarge upon the advantages of such a system. Let the National Government issue paper money, whose volume shall be regulated—in exact accordance with the needs of Commerce—by its interchangeability, at holder's option, with Government bonds, bearing an equitable rate of interest. Let the Government disburse this money *only* in payment of its indebtedness, and make it receivable for taxes and imposts of every kind. Depend upon it, under this system, your taxes would be greatly reduced, business would revive and hereafter remain free from exposure to disastrous panics."

OPEN LETTER TO THE CANDIDATES FOR THE PRESIDENCY,
NOMINATED BY THE REPUBLICAN AND DEMOCRATIC PARTIES,
IN CONVENTION ASSEMBLED.

NEW YORK, July 25, 1876.

Hon. R. B. Hayes and Hon. Samuel J. Tilden.

GENTLEMEN—I find myself impelled by an irresistible anxiety for my country; by the palpable facts of distress and suffering, that surround me, and which, I am compelled to know, pervade the families of the great mass of our people; by the earnest calls, that have been made to me from all parts of this great country; and especially, by the solemn and deliberate act of an earnest and intelligent body of my fellow-citizens, in convention assembled, who, setting forth clearly their convictions as to the real cause of this widespread distress among the masses of our countrymen, have called upon me to represent those convictions, and nominated me as their chief executive to carry them out;—by all these considerations I feel called upon to address a few

words to you, who now hold the nominations of the two great organized political parties in this country for the highest position of responsibility as to the future happiness and prosperity of this great people.

Far be it from me to attribute any want of patriotism, or any unworthy motive to your honorable selves, or to the leaders of those Conventions, which have nominated you both, respectively, to the high office of the President of the United States. But the imminent question of the day, that which touches the cause of the present financial ruin and suffering of so many, is one of such palpable facts and simple deductions therefrom, that I must think there is some mistake in the radical principle, by which these facts are viewed by you and the great parties, which you represent. I find in the platforms of the conventions of the two great parties no adequate expression, either of the facts, the causes, or the principles, that underlie the present great distress of our nation, when thousands of honest, industrious people are filled with anxiety for the bread of their families, or are suffering already from an inadequate supply. This seems to me the great and paramount question of the day, to which our chief thought and most efficient action should be directed, and before which all other questions should sink into insignificance.

What is the cause of this wide-spread ruin and present distress? and what is the immediate remedy?

A few facts of history and of public record will show this. According to Spaulding's "Financial History of the War," (p. 201) the public debt of the United States stood on the books of the Treasury, October 1, 1865, at a total of \$2,808,549,437. According to the same author, who is a strong advocate for specie payments; (page 10, Introduction) out of this debt in 1864, the inflating paper issues, outstanding, were over \$1,100,000,000—and gold reached its highest quotation, 285.

Now, be it remembered that, although a few money-changers, speculators and importers were willing to give

\$2.85 of paper for one dollar in gold, yet the people were using this paper to buy flour and exchange their commodities at prices, that were far less than this inflated price of gold.

Gold was no longer the standard of exchange, except in foreign commodities, where balances had to be paid in gold. The internal trade, commerce and industries of the country were steadily increasing, and never before so flourishing as during the time of this famine for gold. In an evil hour, it became the policy of this Government to reduce all our paper currency to the standard and par value of gold. This was attempted by the withdrawal of the paper currency as fast as practicable, and by absorbing the same, by an arbitrary law, into a debt for so much gold as the face of the paper, in the shape of gold bonds, bearing the yearly interest of 6 per cent. in gold! In the course of less than eight years this change was effected, and the people's money and currency of all kinds were reduced subsequently from \$2,-192,395,527, as represented on the Treasurer's books on September 1, 1865, to the sum of \$631,488,676 on the 1st of November, 1873, making a reduction of the currency in eight years of \$1,561,906,851! (See *Congressional Record*, March 31, 1874, speech of John M. Bright of Tennessee.) This brought on the panic of 1873 and all our present financial troubles. Although a part of this vast sum was a kind of currency, that drew interest, and, therefore, partook also of the nature of an investment, yet, as Mr. Maynard, Chairman of the Committee of Banking and Currency, said from his seat in Congress on the occasion of Mr. Bright's speech, "those issues were engraved and prepared in a form to circulate as money, and, as a matter of fact, did so circulate, until either they were funded or the interest accumulated so as to make them superior to the ordinary class of currency." But this stupendous decrease in the people's money—the very tools of their trades and enterprises of every description, the use of which they had fairly earned by the blood and sacrifices of a great war, and the beneficial effects

of which were proved by the great activity in business and trade, which it engendered as long as it lasted—this great reduction in the money of the people was made by methods equally unjust, as they were disastrous to the prosperity of the country.

This paper currency was absorbed by interest-bearing gold bonds, which were bought by the paper, which in its turn had been purchased by gold at 40, 50 and 60 per cent. discount; thus turning the debt of the country to one of twice its value in paper, and paying for the gold bonds at half their value in paper. This was done at a time, when this paper currency was doing the nation all the good, that so much gold could do for our domestic prosperity and trade. The people were building up the country with a rapidity unexampled before, with this paper, which, if it had been fully honored by the Government, that issued it, and received for all imports, duties and debts, and allowed to be exchanged at par for bonds at an equitable rate of interest, would not have permitted any premium on gold.

These are the facts. The panic of 1873 and all the consequent distress of the industrial classes of our country, and its baffled enterprise, are distinctly due to the contraction of the currency to this enormous extent during the eight years preceding 1873. It stopped credit, production and consumption, and made much of what currency was left, rush in a panic to the head money-centres—as the blood in an apoplectic fit rushes to the head—where this money is now vainly seeking investment in first-class security at two per cent.; while the country at large is palsied in its enterprises and industries for want of this very currency. And what was all this done for? To change the debt of the country without reducing its real amount from a shape beneficial to the people, and incorporated as an integral part of the very life-blood of all their rising industries and their growing trade—this paper currency was turned, almost with the suddenness of a conjuration, and by the forms of an arbitrary

construction of law, into another shape, twice in amount as measured by the same paper, and taxing the people with interest on it in gold, to the amount of \$94,684,269 per year, (see statement of the public debt, June, 1876.)

Most of this interest is now paid to foreign bondholders, alien to our institutions and uninterested in our prosperity, except to keep up our ability and willingness to bear taxation.

And what is the specious reason for this change? "*To return to specie payments!*"

What can this policy result in but a further distress and impoverishment of this people, and the building up of the interests of a class, whose business it is to invest or to lend money, and whose policy will be to get the highest rate of interest? We may concede all, that is claimed of the necessity of specie payments, and our currency being made on a par with gold. But this disastrous and ill-judged method of reaching specie payments, by the past and present contraction of our currency, is very unjust and cruel to our people; for it shrunk the value of all property, so that it could not be sold, or mortgages obtained on it for more than one-half the amount the same property would have brought three years previous, and reduced the wages of labor to the same degree. This return to specie payments may be made without such injury, by honoring the currency in every way; by making it exclusively the money as well as the legal tender of the country; by receiving it for all forms of taxes, duties, debts to Government, as well as the payment of all private debts; by establishing its value on a firm basis, at a fixed and equitable rate of interest, which it may always find in an interconvertible bond; and by determining the volume of the currency, where the unobstructed laws of the internal trade and industry of this country may require it to be, under the free use of the interconvertible bond. This great national debt ought to be held as a great trust by the Government of this people, and made the receptacle of all the trust funds, and the savings of all the poor among our own people. It should be an investment put within the reach of our own

people, instead of being sent abroad to swell the coffers of the rich in other countries.

If the Government, after the war of Rebellion, had been as anxious to heal the wounds, which that unhappy war created, to alleviate the poverty, which it brought on a large section of our country, to reinstate the broken industries and enterprises of our whole people, as it had been to carry that war vigorously, at any cost, on to victory, the Government would have seen, that peace had its demands as well as war. If a Government is bound to protect the people from the aggressions of war, it is also bound to save it from commercial distress and the sorrows of a laboring population without work. The Government might now free hundreds of thousands from imminent want, and set the wheels of trade again in motion by building the two great railroads across the continent at the southwest and northwest of the country, that private enterprise has already commenced, but cannot complete, for want of capital. The legal tender of a solvent country like this cannot be called a *debt* in any proper sense of the word. *It is money* and measures the exchangeable value of all property, gold included. All must see that the currency, paid out by the Government for value received, became the people's money, over which the Government lost all control, except to tax it as all other property to meet the wants of Government. This amount of money even now may be given back to the people in works of great national importance, like that of a Northern and Southern Pacific Railroad, that would to-day be worth their cost, in aiding to put down the Indian wars, that now threaten the frontier of our country. What is a Government good for, if in such a country as this, with all its material resources and vast extent, it cannot prevent a large part of its people from the distress of want of work and bread? This seems to me the first duty of Government.

Sorry am I to see, and I say it without any reproach cast upon the integrity of those concerned, that in neither of the platforms of the political parties, that represent the go-

verning intelligence and wealth of this country, is this great question of finance either discussed or recognized in its principles, or bearings upon the happiness and prosperity of this people—except in a way, that seems to me adverse to both.

I have, therefore, consented with great reluctance to go before the people—not for the strife of office, not for the petty triumphs of a successful candidate, but for the vindication of a great principle, that underlies all true Republican or Democratic Institutions—namely, that the interest and happiness of the whole people are superior to the demands or interests of any one class; that in the neglect or defiance of this principle, the great debt of this people, incurred by a war to save the life of this nation, has been administered too much by the advice, and in the interest of a small class, that care for their income, but cannot look out for, or attend to active investments; hence, they prefer the bond to the currency; and for another class, who desire the highest interest for the smallest investment; hence they prefer gold to a paper legal tender; and for still another class, who alien to our institutions and country, care only to tax its energies and wealth for the highest interest they can draw for an immediate investment of their money. But these are not the interests of the people of this country. Neither honor nor justice requires such administration of the public debt of this country.

I feel, therefore, constrained by every principle of honor and love for my country, to come forward at an advanced age, and with a mind, that would gladly seek repose, after the toils of a long and laborious life, to answer the call of a portion of my countrymen, to try these issues before the people of the whole country; to test these truths, which we hold to be self-evident, as soon as they are honestly examined, as are the truths of the Declaration of Independence. One of the chief of these truths is that, as all rightful Governments are made for the people and by the people, they must be administered with a parental care in the interests of the whole people, and not for a class. No single interest

touches the domestic comfort and prosperity of the people as this one of the currency ; and in the present condition of the country, none is of so much immediate importance, or calls for more immediate solution. To put off this question, therefore, with vague expressions of reform, and the desirableness of specie payments, is to ignore the ruling interest of the hour. It is to surrender the people to their sufferings without any promise of remedy.

I appeal, therefore, from those, who seem insensible to the cry of the people, to the people themselves. I appeal from the political parties, organized to control the Government and distribute the offices and emoluments of office, to the great industrial classes, who organized to protect their interests and obtain some recognition of their rights from the Government of the country. Let them substitute coöperation for strikes, and unite to save themselves and the country from the present disaster and distress to all the industrial classes. *Let no man think of the bullet, while he has the ballot in his hand.* It needs but the use of that simple instrument of political power to rectify all our discontents and social evils.

Let us have our national currency duly honored ; let us take the testimony of the nation's experience, and that of other countries, as to what such a currency can do for our prosperity ; let the gold par be reached by rendering our currency of higher and indispensable uses, as now exemplified in France, and not by contracting its amount ; and let its volume and its value be determined by the *interconvertible bond*, placed at the disposal of the wants of the people, and governed by all the forms and sanctities of law ; and not surrender the currency to the ever-changing basis of a commodity like gold—then we shall have peace on this question. Justice will be established, and the general welfare promoted ; prosperity, again, will revisit us, and we shall vindicate the wisdom and superiority of our free institutions before the world.

France, with her 600,000,000 of legal paper, has kept

her industries profitably employed by keeping her paper receivable for all forms of *taxes, duties and debts*, etc. . . .

The time has come, when the claims of a common humanity and all that can move the manhood of an American citizen must unite in a demand for an act of common justice, now due to the American people, who have saved our country from ruin, and will, I trust, forever protect it. The Constitution has made it the first and most important duty of Congress "*to establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and our posterity.*"

To my present friends I need not say, that this sacrifice of peace and rest is like the surrender of what remnant of life I may have. But to the country at large I will say, that I am willing to stand in the place, where I have been put by the judgment of an intelligent and honest portion of my countrymen, to stand with them and try before the whole people this cause of the people's money, and the true financial policy of this Government.

Most respectfully yours,

PETER COOPER.

LETTER ON FINANCE.

NEW YORK, August 21, 1876.

Hon. Moses W. Field, Chairman, etc., etc. :

DEAR SIR—I must beg you to accept the warm weather incident to this season of the year (together with the thought which forces itself upon my mind, that my presence might possibly cause some persons—who do not *know* me—to think, that I was electioneering) as a sufficient apology for not accepting your kind invitation to join our friends in the Convention at Chicago on Wednesday next.

I shall be with you, however, in spirit, and also by the presentation of thousands of pamphlets, which give my views on the most important issues of the day, and some of the

errors of public administration, to which both the Republican and Democratic parties neglect to give attention.

I waited long and with, I trust, a fair degree of patience, for Governor Tilden's letter of acceptance, entertaining the hope, that I might find sufficient ground for retiring from the field as a candidate, nominated for the same office. But in this I was disappointed, as he indicates a determination, similar to that expressed by Governor Hayes in his letter of acceptance, to the effect that, if successful in the canvass, "no step backward" from the wrong policy, pursued by the Government relative to finance, will be taken, notwithstanding it has ruined untold thousands and brought sore distress upon honest toilers throughout the land, etc. . . .

It is extremely difficult to frame an apology for the course of financial legislation, that has been adopted by the Government of our country, and is still insisted on by both political parties. I find, on a close examination, that it is just such a policy as men and nations would advise, who have a direct and immediate interest to mislead and deceive us.

The legislation of our country, on this subject of finance, has been nearly identical with that, adopted by Great Britain during and after her Napoleonic wars, and is attended with similar results. The English Government caused a suspension of specie payments for more than twenty years. Those years of suspension proved to be the years of England's greatest prosperity.

But England, like our own country, in an evil hour, undertook to enforce specie payments by law. This shrunk the value, as Sir Archibald Alison says, "some fifty per centum, and caused a wide-spread wretchedness and ruin" over that country.

A similar policy has paralyzed all our industries, and has brought suffering to millions of the American people; and this must continue as long as the present contraction of the currency is allowed to go on.

I here repeat my belief, that prosperity will never again bless our glorious country, until justice is established, by giv-

ing back to the people a sufficient volume of currency, with which to transact business. This can only be assured by the use of national paper money in defraying all proper expenses of the Government.

When our Government has secured to the people one kind of paper money, receivable for all forms of taxes, duties and debts, and interconvertible with national bonds, bearing an equitable rate of interest—when such an inestimable blessing has been secured to my beloved country, I shall be able to say, with one of old, “Lord, now lettest thou thy servant depart in peace,” for I have seen the salvation of my country.

Very respectfully yours,

PETER COOPER.

ADDRESS AT COOPER INSTITUTE, OCTOBER 19, 1876.

Mr. President, Ladies and Gentlemen :

We have met, my friends, to call and fix attention on one of the most important subjects, that has ever claimed the attention of the American people.

We, the Independent Party, hold it as an established fact, that the adoption of the Constitution by the people has made the coining of money, and regulating the value thereof—in connection with the fixing of a just and uniform system of weights and measures—the first and most important duty, enjoined by the Constitution on the Congress of the United States. All must see, that justice could not be established, and the general welfare of the people could not be promoted, without making the money measure of the country as uniform and as unfluctuating, in its measuring power, as the yard, the pound, or the bushel measure. All must see how utterly impossible it would be for our Government to regulate commerce with foreign nations, and among the several States, without a uniform system of *money, weights and measures.*

Our Independent Party are compelled to believe, with Thomas Jefferson, that the time has come, when "bank paper *must be suppressed*, and the circulating medium must be restored to the nation to whom it belongs."

In England the suspension of specie payment for some twenty-five years, during her Napoleonic wars, proved to be a great blessing, and made them the years of the greatest prosperity, known in the history of that country. England's attempt to return to specie payments "brought with it," as Sir Archibald Alison says, "a greater amount of loss and suffering, than had ever before been brought on that country by all the wars, pestilence and famine, that had ever afflicted their land."

The paralyzed condition of the industries of our country has resulted from the adoption of a similar effort to contract the currency of the country, in order to secure a promise from local banks, that they would pay specie on demand. Thus far our Government seems to have disregarded the warning of Sir Archibald Alison, who said, that he feared America might adopt the unfortunate policy, which had brought such wretchedness and ruin on the people of England through an unwise attempt to enforce specie payments on a people, that had been compelled to use a paper currency for more than twenty years. Our Government has, not only disregarded the warnings of Sir Archibald Alison, and all the history and experience of the past, but it has adopted a policy, such as we are compelled to believe has been pressed on us by men and nations, who have a direct interest to mislead and deceive us.

My views on this whole subject have been so fully set forth by the pamphlets and newspapers have spread broadcast over the country, that I will not detain you longer from the pleasure we shall receive by listening to our friends, who will address us.

I will only add, that it is greatly to be regretted, that our Government has not legislated for our country in accordance with the direct advice of Franklin, Jefferson, Calhoun and

others like them. If their warning voice had been heeded by our Government, our country would have been blessed, like France, with a sufficient volume of gold, silver and paper currency, made equally receivable by the Government and people for all forms of taxes, duties and debts. National paper money should have remained equal to the amount, actually found in circulation at the close of the war. That amount had become the people's money, and could not be taken from them without a violation of that clause of the Constitution, which makes it the positive duty of Congress to establish justice, by every act of legislation, as the only possible means, by which the general welfare can be effectually promoted.

One thing is certain, that the national debts can never be paid by a governmental policy, that shrinks the currency, destroys values, paralyzes industry, enforces idleness, and brings wretchedness and ruin to the homes of millions of the American people. It is equally true, that Americans can never buy anything cheap from foreign countries, that must be bought at the expense of leaving our own good raw materials unused, and our own labor unemployed. It should be remembered, that neither gold, silver, copper, nickel or paper are money without the stamp of the Government upon it. The Constitution has made it the duty of Congress to coin the money of our country and regulate the value thereof, and fix a standard of weights and measures, as the only possible means, by which commerce can be regulated between foreign nations and among the several States.

PETER COOPER.

INTERVIEW WITH A HERALD REPORTER.

REPORTER—Mr. Cooper, what do you think of the late letter of Mr. Reverdy Johnson, on the subject of the currency?

MR. COOPER—I think, that Mr. Johnson has there given

some very wholesome truths, and for a man of his intelligence, he has made some remarkable mistakes. He says truly, that "the question of currency is now the most important one before the country. It rises, or should rise, far above mere party contests."

He adds, with great propriety, that "the subject of currency affects the permanent welfare of every citizen—the prosperity of the country, and the reputation of the Government."

He then adds, that "it must be obvious to every reflecting mind, that a currency ought to be as far removed from fluctuations of value as possible."

I believe, that Mr. Johnson is unquestionably right in saying that, "with a currency, subject at times to a depreciation and at times to appreciation, the consequences can but be injurious; and the extent of injury will be in proportion to the changes of value."

Mr. Johnson then states, what I believe to be an entire mistake, that "the experience of the world has long since demonstrated that gold and silver alone constitute a safe currency."

As to what control the Government has over money, this will find its best answer in the language of the Constitution, where it says, that "CONGRESS SHALL HAVE POWER TO LAY AND COLLECT TAXES,—to borrow money, to regulate commerce,—to coin money and regulate the value thereof," a most important function, and "to make all laws which are necessary and proper for carrying into execution the foregoing powers, and all other powers, vested by the Constitution in the Government of the United States." These are necessary to "establish justice and promote the welfare of the nation."

REP.—But what are your views, Mr. Cooper, on this question of currency, in relation to the Government at the present time?

MR. C.—I think the currency question has been managed by the Government very much in the interests of the mon-

eyed classes, and very poorly in the interests of the people. Let us look at some of the facts.

In the year 1860, a civil war broke out in this country, which threatened the integrity and life of this nation. At this time, the expenses of the Government increased very largely over its current expenses in time of peace.

In fact, it became necessary for the Government to borrow money and place a large debt on the shoulders of posterity, in order to transmit unimpaired the priceless boon of free institutions, and a powerful and self-protecting Republic of States. Now, a nation is not like a private individual, who, if he wants money, must go and borrow it of some one else, because he has no resource of his own, from which money can come, but only some security, which he may give, that the money will be returned. A nation has always indefinite resources, on which to draw, and yet can give no legal security for the payment of its obligations. Money itself is a creature of law, and the sovereign prerogative of the State. The Government can make anything a *legal tender*, and it is only a question of expediency what it shall make. But it can give no legal security for payment of its debts; because a sovereign State cannot be sued, nor can you replevin on its property, except by war. To be sure, a nation may borrow as a private individual from another, or from a corporation; but in doing so, it puts itself in a false position, and makes itself subject to the lender, as in any other debtor, to the extent of his debt—except that the creditor has no other resource for collection BUT TO TAKE ENTIRE CONTROL OF THAT GOVERNMENT, as respects its financial policy. Therefore, the people and their interests may be shoved aside, for they become antagonistic to the class, which are the creditors, who naturally desire to make their loans at the least cost and the highest interest. But, if the people themselves, in their solid interests and unity, as represented by a Republican Government, were both the debtors and creditors of all the public debt, then there would be no antagonism between the debtors and creditors.

REP.—But do you mean to say, Mr. Cooper, that a Government has no need, and should never borrow from individuals and corporations?

MR. C.—*I think, that a Republic like ours, with its forty millions, with its enormous extent of unoccupied land, its wonderful resources, and its enterprising people—equally marvelous for their growth and the increase of their wealth within the century—has no need to borrow from anybody. Why should this people borrow, as a private debtor? If, in their sovereign capacity through the Government and under constitutional and legal forms, they can lay under contribution the whole property, and the services of every man, in protecting the lives and property of all, they certainly can issue tokens of this undoubted fact, in the shape of legal tenders; and these become, by this act of sovereignty, the money of the country, the measure and the means of exchanges. The people, who give them, in their sovereign capacity, must take them in their private capacity, and again receive them, in their sovereign capacity, as the Government for taxes. This makes their circulation and their use. But the significance of these paper legal tenders is, that they are tokens of such service or material, rendered to the Government; and they are also promises to render an equal amount of money, service, or useful material in exchange, to the holder, by the Government.*

The paid functions of Government, or the equivalent taxes form a just and adequate basis for the redemption of a paper currency, and furnish a better legal tender than gold or silver, for the domestic purposes of trade, if properly regulated by the Government; hence, I would demonetize gold and silver, except as mere tokens of value, and make Government paper, *exclusively*, the legal tender.

This is a very important proposition, in the discussion of national finances, and demands a clear explanation.

1st. If a private note of hand or a bank-note is good in proportion to the known credit and resources of the individual or the bank, so is that of the Government, and in a

superior degree, as the Government has a larger credit and more resources than an individual or a bank.

2d. An individual or a bank pays its debts by means of its credits, or the valid claims either may have on others ; so does the Government ; and the valid claims of Government are all represented in rightful taxes, imposed for its proper functions and employments.

Government, on one side, is the giver of sound credit, represented by its paper ; the validity and redeeming basis of this paper is in the fact, that the community is indebted to the Government in the shape of taxes for so much service and material, as may be necessary to carry on its proper function, and pay its officers for services, rendered to the public ; this creates an obligation on the part of the public to receive Government paper for value received. Thus the circulation is complete. As the creditors of an individual or of a bank receive its paper and pass it to debtors, who in their turn pay their debts to the bank with its own paper, so the Government puts out its paper for service and labor, and redeems its notes by the taxes due. This is the sort of legal tender and currency we need, as undoubted representative for value received, as gold or silver. Regulated in volume by the amount of taxation, which the people are willing to bear, in order to support Government ; for not a dollar of it can be issued, except for value received, and under the watchful guard of the whole machinery of Government. Where, then, is the danger of inflation, except in time of war, or by a temporary wresting of the Government from the hands of the people ? One of these contingencies is comparatively rare, and not without its compensations in the objects, attained by the war. The other is a very remote and improbable contingency in a country like this—hardly worth taking into account in this argument.

On the other hand, bank paper is sure to be inflated sooner or later, without compensation, but with general loss or disaster. For, if it is to be redeemed by specie, the paper cannot be kept within the limits of redemption and satisfy

at the same time the demand for credit. If a part of it becomes irredeemable, the whole of it becomes irredeemable at a blow.

But, if the paper merely represents credit, it is the real capital and claims or assets of the bank, which must support that credit; and the history of banking clearly shows, that the inevitable tendency is, that bank circulation gets in advance of its real capital or assets; because the assets are sure to fall greatly in the market, if they are brought quickly forward to pay its debts, as is the case in times of panic. The sudden curtailment of its loans, from time to time, can alone keep up a system of banks, and this is sure to bring on ruin and panic in business. Not so with a Government currency, regulated solely by Government taxes and dues. It must be comparatively steady and unfluctuating as the taxes; and hence, the general credits, based on such a currency, cannot fluctuate enough to produce great inflations, in time of peace, and the consequent reactions and panics in business.

REP.—Why not? It seems to me, that Government paper may be subject to great inflations, as well as bank paper, and the expanded credits, that arise from such inflations, must suffer contraction, sooner or later, by a natural law; for the pay-day must come at last, and few, who are eager to borrow, can meet the payment. Government paper may be inflated on a more gigantic scale than bank paper, as our last war proved.

MR. C.—That was a war measure and was justified for the same reason as the war. But the mischief did not arise from the expansion of the currency, which sent a vivifying influence throughout all our industries, and produced the most prosperous times this country ever had; but it was the contraction of the currency, which brought the distress; and this was neither necessary nor called for by any advantage accruing.

The eagerness, with which our currency was funded by foreign bondholders, was owing to the fact, that our Govern-

ment gave such high rates of interest, as compared with other Governments, and promised both principal and interest in gold, when the paper, that bought the bonds, was at forty or sixty per cent. discount on the gold. Was that patriotic or necessary? To pay so much of the debt of the nation before it was due, as Mr. McCullough boasted was his object, and to turn so large a part of the currency, which fed the industry of the people into bonds, which taxed that industry, was a very short-sighted policy for the Government to pursue.

REP.—But how is the Government always to keep its paper issues, in time of peace, on a par with the standard, adopted as a unit of value—*so much weight of silver or gold, in the coin dollar?* This standard gives meaning to the stamp on the paper, as equivalent to, or exchangeable for, so much value, as the number of dollars stamped on the paper, measured by the *standard coin dollar*. This is a necessary starting-point in measuring values, as a certain length or a certain weight is to the yard-stick, or to the pound weight.

MR. C.—That is very true. It is necessary to have some substantial and recognized standard of value to start with, in money, whether it be coin or currency. This standard, however, might be a pound of cotton of a certain fineness, or a pound of tobacco of a certain quality, as far as giving a standard value to the paper was concerned. It is also true, that the paper must have *some* exchangeable value as money, as measured by a standard; and the Government cannot give it that exchangeable value, in *any* quantity, by merely stamping the paper as worth so much. What we want is a *paper money*, made equal in exchangeable value to gold or silver of a certain standard.

Now the Government keeps its promise to pay in three ways: First, by accepting these paper promises, as they may be called, for all taxes and dues to the Government. Secondly, by compelling every individual to accept them in payment of all debts. And finally, by redeeming them in that, which the holder of the currency shall accept as equiv-

alent value, the Government Bonds, thus distributing burdens and benefits over the whole country.

REP.—But this is only compelling individuals to accept one token of debt for another. How is the public debt to be paid at last, and how shall we get out of this vortex of promises to pay?

Mr. C.—In one sense, there is no need to get out of this vortex; *the planets move in a vortex; the whole of society, and the universe, as far as we see it, move in vortices. This is the grand law of motion and circulation. But circulation also signifies growth and ministers to it. Parts of every circulating medium settle down to something solid, which makes a part of the organism, keeps up its integrity and adds to its growth. The circulating medium of money settles down, at last, into something solid in interest and property, under the same law of conversion, that makes each drop of blood contribute to bone, muscle, or other organ of the body.* For instance, New York City is building a great series of piers and wharves for the accomodation of its present and future commerce and trade. It is demonstrable, that these piers and wharves will pay in rents to the city, not only the interest, but the principal of all the money invested in twenty years. The city issues its bonds for this work, which represent a certain amount of interest and principal. But the city, not having the right to issue money, offers its bonds for sale to the banks, or to private individuals, which are henceforth alienated from the possession of the city, in order to get the money or currency to pay for labor and material in this public work. You might ask, why should not the city keep these bonds in its own safes, and issue the money for current expenses on its own authority and credit? I answer: Because that would be an act of too great a local sovereignty—though it is no more than is now virtually conceded to local banks. Let the general Government, then, in its sovereignty, make such a currency, so based and secured, a legal tender. Then, when this work is done, and begins to pay to the city rents, let the income be applied to

the extinguishment of the bonds, as well as keeping it in repair. This is what I mean by settling down a circulating medium or currency INTO SOLID MATERIAL and capital, organized into permanent use.

This makes a circulating medium, always expanding, and always contracting into a solid form. The true design and highest function of currency and credit are to encourage and stimulate industry and enterprise in useful forms, and to promote the work by giving the very tools, with which it can be done. It represents the material value of the products of labor in process and not yet complete, for which it provides merely the current wages or support, till the fruit of labor comes to maturity, when that pays for all.

REP.—Mr. Cooper, what is your opinion of the present banking system ?

Mr. C.—Financial institutions are very useful, and will always be necessary to carry on the commerce, trade and industries of the country. They concentrate capital in financial centres, from which it is again distributed all over the country, where it is most wanted. I regard a banking system, properly confined to the collecting and loaning out of the real capital, in aid of all useful enterprises, as a national blessing. But, incidentally, banks do a great deal of mischief by doing business, in part, on a bad system and on false assumptions. They often confound the distinction between credit and capital, and do business on credit without capital. Credit must be distinguished from capital. Credit cannot be borrowed or lent, it can only be *given*, or exercised by one mind toward another. Capital is borrowed and lent, for it can be passed from hand to hand. The one is very necessary to the other ; for capital supports credit, and credit sets capital to work in multiplying capital ; thus preventing the latter from waste and loss of it. Credit and capital, therefore, naturally imply each other, and are necessary to a mutual existence. It is death or disaster to both to separate them. Financial troubles may come from the want of capital or credit, or both.

REP.—But how do you account for our present financial troubles?

MR. C.—Our present financial troubles, doubtless, began in the want of sufficient capital at command, to carry on certain great and small enterprises to successful issues, in which the parties asked more credit than there was capital to back it. But when these parties failed, it gave a shock to credit; this paralyzed the active use of capital, and withdrew it still more from the support of credit, until a *panic* came. For people did not know where or when this trouble would stop. Like a crowd in a public building, the rush for escape, when there is an alarm given, bears no proportion to the danger; but it soon substitutes a far worse source of destruction and suffering in the panic. And, as in this case, the trouble is soon relieved by opening wide the doors of egress, so, in financial panics and troubles, the true remedy is *expansion* of credits and capital, and not *contraction*.

REP.—But what have the banks to do with all this?

MR. C.—I have not, as yet, mentioned the chief source of our financial troubles and panics; it is the false system, which our financial institution mix up with what is true in them. They rest much business on a *false bottom*, which may drop out at any time. They lend their credit without sufficient capital to back it, and call it *lending capital*. The old system of banks, which some are now anxious to renew, lent out three and five dollars in paper to one of gold, kept for redemption. Their capital was to the credit they assumed as one to three, five, or more; consequently, when the capital, promised by the paper, was called for, as sooner or later it must be, so much of the credit came to naught, involving loss to the banks, not of their *capital*, but of their *sham credits*. But these sham credits meanwhile had transferred a great deal of real property from the hands, to which the property belonged to those, who held the temporary credit. This injustice and wrong come to the surface, at short intervals, in the shape of panics and financial distress. The present system of banks, although not doing business

on a specie basis, yet introduces a false bottom to business in another way; they do a large amount of business on their depositors' capital. If the *deposits* are called for faster than the bank can return them, the bank fails in its credit, but loses comparatively little. The loss of real capital falls chiefly on the trusting *depositors*. This system goes smoothly, transferring property and facilitating trade, till the capital, implied by the credit, is needed in substantial form. The promise can no longer be put off; the payment is required; then the false props are all taken away, and financial ruin is the result; credit, given to brains, muscle, industry and enterprise, is one thing, and credit, given to actual products and estates is another; but still credit, based on either is a *real credit*; because brain-work and enterprise are just as real as the material products, to which they give existence. But credit, based on mere *assumption* or *supposition* of capital, is not properly based. It is a bogus credit, that looks like the real thing, but sooner or later fails entirely.

If the Government does not require the banks to redeem their notes, either in gold or in bonds, or if it allows them to coin their deposits into loans, it gives them the privilege of giving others the use simply of the banks' credit, far beyond their capital. The banks have done too much of that business already.

REP.—What, then, would be your remedy for this false system of banking?

MR. C.—The true remedy for all these financial shams and pretences, that transfer the property of the real owners to those, who are mere financial agents, is to permit the banks to do business only on real money or legal tender, interconvertible with bonds. This will convert all money into a safety fund, and make it unnecessary for banks to loan their deposits, which they can always fund in Government securities, and have them again *on call*. But this system will expand the real credits, which the banks can give, based all on real capital, and make such credits equal to the wants of a new and expanding country like ours, with insti-

tutions, that stimulate the industries, enterprises and powers of this people beyond anything, that history can yet show of any people.

Some people mistake altogether, or put a false construction on transactions, called credit, which are not so strictly. For instance, if you go to a bank or a broker and give your bonds, stocks, securities in mortgages, or any other shape, and borrow a certain amount on the same, that is not strictly giving and receiving credit; it is simply a sale of property, WITH AN IF. For, if you fail to pay on a certain day, there will be transference of property, but no credit lost. In fact, the man borrows the use of credit in the shape of money, but makes it good on his own property. Therefore, the borrower himself gives the only foundation there is to that credit. But, if the man is about to improve a farm, or build a factory, and borrows money to buy material or employ labor, which money can only be returned, if he succeeds in his enterprise, and produces a piece of property on the strength of that credit, which may return all that has been invested in it, THAT IS REAL CREDIT. That money represents the credit or faith, given to an enterprise and a work in progress, which may result in some valuable property; but, if it does not, the credit is lost and both borrower and creditor are sufferers by the failure. There is certainly a difference between borrowing money on the security of a tangible property, equivalent to the sum borrowed, and borrowing money on the faith of the powers, intelligence and capacity for work, which will create a piece of property, if given the credit and opportunity, which the money furnishes. This last is the only credit, that the poor need, or can ask. But it is essential in the world, and there ought to be no limit to such credit, except what is sufficient to set every man and woman to some useful work.

This makes credit in finance, like faith in religion, "the evidence of things unseen and the substance of things hoped for." This process is going on every day; for there can be no growth or development in society without it. But now

Governments, general and local, mix up their own credit, or seek altogether to sustain the public on private credit. The sovereign authority of making this circulating medium of money, which ought to be backed by the highest, most permanent and reliable ability to pay, is thought safer by many, when the weight of responsibility is put upon private shoulders or those of corporations, than when it is resting upon the broad and secure basis of a nation, organized under Republican institutions "by the people and for the people," pledging its wealth and honor as a nation for the redemption of all debts, incurred for the public weal.

This enslaves a people, through the very machinery of free institutions and republican forms, to the will, the caprice, or the greed of particular classes of individuals, that control money. The Government should never be a borrower, except of such labor and material as is necessary to public service. This it must acknowledge by tokens of its own creation and stamp, and pay at maturity, by means of taxes on property, which this very credit has brought into existence, and, as it were, SOLIDIFIED into a permanent source of income, such as a great public work, or any form of fixed capital, or, still more, a nation's life and prosperity. What I said New York was doing, and might do with regard to her public works, could be done by the Government on a far grander scale.

REP.—But, Mr. Cooper, I do not understand what you call "*real money*." Is not gold and silver the only real money, and all other forms merely representative of value?

MR.—C. No, sir; gold and silver is not the only real money. The precious metals are constituted money by the same authority, and for the same purpose, that paper may be employed as money. Money is purely a creature of law. All metals must be coined by authority, before they can pass as money; and the proof of this is in the fact, that the precious metal, stamped and made into money by one Government, will not pass as such under the jurisdiction of another. Foreign coin is never a *legal tender*. This being

the case, we must look to something else as the *essential characteristic* of money, than the exchangeable value of the substance, of which it is made, which makes it a commodity in any market. The value of money depends upon two conditions only, both of which are governed by law, and only one of which depends upon demand and supply, as to the values of pure commodities. The first condition of giving value to money is to make it a legal tender for all private debts, and also the taxes and dues of Government. This gives it a pure legal value, and makes it like a mortgage on property, and also like a note of hand, issued by the Government, and secured as well as redeemed by its taxing power and authority over the whole property of the country. The second condition of value in money is, that it should be *rentable*, like any other capital, or bear some interest to the lender. This can also be fixed by law, as in laws of usury. But the Government can go further than this, in giving a legal value to its own legal tender in the shape of paper money; it can make this legal tender fundable at a fixed rate of interest, payable either in coin or in its equivalent paper. The bonds of the Government thus give a secondary or vendible value to the paper money, which makes it like any other commodity, rentable, and of a market value. This being a fact, it shows that, in all the proper qualities of *real money*, paper money can be made such by the Government that issues it, as gold or silver coin—it will pay all your debts and taxes, and also has a market value, because it is rentable or loanable.

REP.—But not abroad; you cannot send this money abroad.

MR. C.—No, you cannot send any money abroad, except as commodity, vendible, which takes from it the character of money. But this is an advantage in the use of paper money, which, being an indispensable measure of values at home, and a necessary means of exchange, should never be taken from the trade and domestic uses of one country to be exported as commodity to another.

REP.—How, then, shall we keep up its value on a par with that of other countries, so that we shall not be buying abroad with one standard of value, and selling at home with another?

MR. C.—That is no great hardship, compared to being left without sufficient money to do business and pay the wages of labor. But the true remedy for this is to encourage industry in every way at home, so as to have a surplus of production in things, that can find a market abroad, and thus keep *even the balance of trade*, which keeps the money of different countries at a par value. For this purpose nothing is more conducive than a good, sound currency at home, in sufficient quantities, at all times, to keep up all the exchanges and the payment of wages, needed for our own domestic industries, and to protect our own people from too great a competition with the cheap labor of Europe by a proper *revenue tariff*. This is the commercial and financial sheet-anchor of any people. A tariff taxes the surplus of other countries, which finds its way to our own markets for the support of the Government which protects, and in a manner furnishes that market. It taxes chiefly the capital of the foreign manufacturer and the domestic importer of this surplus production; because they must find a market *somewhere*, and therefore sell at whatever rates they can get in competition with the industry at home, helped by the tariff; and it taxes the consumer, who will buy luxuries, that leave our own good raw material unused and our own domestic labor unemployed—for I assume, that nothing but what interferes with these, shall be subject to tariff.

REP.—But gold and silver have an intrinsic and *inalienable* market value all over the world; whereas your Government paper money—currency or bonds—has purely a legal value, and may be real to-day, but nothing to-morrow, depending entirely upon the stability of Government.

MR. C.—So has all paper, representing true value and made the medium of exchange—a *note of hand*, a mortgage, or a bank-note—they all derive their virtual value from the

law, that constitutes them representatives of value. Yet modern commerce and trade cannot dispense with these and reduce all their transactions to barter, or to paying balances with gold and silver. They assume the stability of Governments, without which neither property nor life are secure. What security would gold give, if there was no Government to protect it? All these paper obligations, used as medium of exchange and having a market value, are based upon the faith, the property and stability of individuals or corporations, with the further sanction of law. We desire, as a medium of exchange a legal tender, that shall represent the whole taxable property of the country and the stability and faith of the Government. It seems to me that, if a corporation can issue valuable paper, much more can a Government, backed by the resources of a whole people, do the same.

REP.—But how has the Government failed in its duty to the people?

MR. C.—The Government, during the progress of this war of the Rebellion, felt obliged to employ more service and material in the struggle for existence with a powerful foe, than it could pay from any immediate resources. It felt obliged to borrow this material and service on credit. It issued its bonds; but the Government went begging, as New York does, to private individuals and to corporations to furnish another credit, called money, for the purpose of paying current expenses. The limited amount of this latter credit, which was at the service of the Government, made the bonds sell at great discount on their face.

GOLD was sought for, when there was not enough of this product of labor within reach to represent a tithe of the credit, sought by the Government. Now, if the Government could issue one form of credit, why go begging for another?

This occurred at last to some of those in authority, and paper money tokens were issued. Under a patriotic impulse and faith in this nation and its resources, some of

these were made receivable for all dues of the Government, and others made convertible into 5,20 bonds at par—at the will of the holder. This made and kept the currency nearly at par with gold, even in the DARK days of CIVIL WAR. This will always keep the national currency equal in value to gold, provided it is the only paper in circulation, and the exclusive legal tender, and fully redeemed by taxes, duties and Government bonds, at the option of the holder. The Government thus has a three-fold method of redeeming its paper, whereas the banks have but one method, and that is by specie. This method must fail them, at times, because the specie will go out of the country, when the balances of trade are against us, in quantities sufficient to interfere with redemption. “Bank paper,” as Calhoun says, “is cheap to those, who make it, but dear, very dear to those, who use it.” Banks can never redeem their paper in specie, except in times of expanding credits, when very little specie is wanted. During such times the banks secure themselves on real property, but the public is secured on the bank paper only in its promise to pay coin. But this national currency was found to be far safer, than any private or corporation tokens of indebtedness, and threatened to supersede all other tokens of indebtedness as a currency. Thus the great power and moneyed advantage, which the making of such tokens and the passing of them into circulation gave to private corporations, would be destroyed. Those, who had personal interests involved, took the alarm; they regarded their *vested rights* infringed upon, and they had influence enough with the then existing administration and Congress to have that law repealed. They represented, that gold would be drained from the country, and our purchasing power abroad reduced to nothing.

How should we get our silks, our wines and our cigars? The importers, brokers and money changers of all kinds, as well as the speculators in gold, would find their occupation gone! It was in vain to tell these alarmists, that gold was one of the many products of industry, and those, who needed

it must buy it at the market price, which no legislation could control, though it might falsify and interfere with the natural price of gold for a time. That it was of small importance to the people at large, how much gold, measured as a commodity, a legal tender would buy, but of much greater importance how much bread could be got for the same money. If paper is made a legal tender, under the same advantages as gold, that is, that it should always represent a real and exchangeable value in interest-bearing property, and receivable for all debts, public and private, the paper would then be on a par with gold as money. No! these parties understood, as they thought, *THEIR OWN INTERESTS*, and under specious, but false pretences and arguments, induced Congress to repeal the law, that made the currency of the United States receivable for all dues to the Government, and also the law, making legal tender notes fundible into Government securities at par. The repeal of the law, permitting holders of legal tenders to convert them, at their option, into interest-bearing bonds, was the most cruel act of injustice, that was ever inflicted on the American people. Thence have come most of the financial troubles and disasters, of which so much complaint is made at the present time. Our bonds were rushed abroad to be exchanged for luxuries and for gold at sixty cents on the dollar, instead of being taken by our own people at par.

Millions of gold go abroad to pay interest to foreign bondholders, instead of being paid to our own people.

A policy of rapid contraction was then inspired into the Government; the necessities of war being over, further issues of bonds were made and currency was withdrawn, and all credits began to contract, as a natural and inevitable consequence. This brought on one of those irrational conditions in human affairs, which we call a *panic*, that brought down credit at once to the zero point, and shrunk the value of all property.

REP.—But, Mr. Cooper, do you not think, that personal extravagance, rash speculations, and over-production gen-

erally have much to do with the present financial embarrassments?

MR. C.—In a restricted sense all these causes lie at the basis of much financial embarrassment. But all of them put together will not account for the fact, that there are over two millions of workmen, operatives, and employees out of work at this time in this country, or on short allowance of work, who three years ago had ample employment. Speculations ruin a few in financial centres and cause merely a change of ownership in property, and the loss of credit to those, engaged in such speculations. Personal extravagance is chiefly confined to a few rich men; for most people care not or are unable to indulge beyond their means.

Over-production and undue importations seem to be the most plausible of the reasons, offered for the present financial embarrassments; because, when goods accumulate in merchants' hands, and products multiply in the factories, mines and farms, without a corresponding demand and consumption, the most obvious cause or explanation is, that there has been too much production and importation. But have these been too much for the demand and consumption previously existing, or subsequently? The true law of supply, the stimulus, and reason for production, is demand; this comes first, and the former comes last in the order of nature. There might be a production, that overtakes and passes an existing consumption in particular cases; but it is well also to examine, in a general way, whether any cause has paralyzed consumption. Now, it has been seen, that the systematic and constant contraction of Government credits naturally induced the contraction of all other credits; this finally brought on a panic, that acted like a paralysis on all credit; this led inevitably to the stoppage of so much active industry and work, as to take away the PURCHASING power of a great many, and to stop a large part of the previously existing consumption and demand. Hence, the over-production (so-called) has been merely an accumulation of products, due to UNDER-CONSUMPTION. The proof of this lies in the

fact, as I have said, of so many industrious people being thrown out of work, and in the statistics of the country, with regard to its exportations and importations the last few years. In this connection the opinion of President Grant, as expressed in his annual message of 1873, is important.

REP.—But how would you have prevented this sad condition of things from coming on? It appears to me it arose naturally out of the irredeemable nature of the currency. Gold and silver have always been regarded as the currency and money of the world. A man, that is in debt, naturally desires to get out of it as soon as he can. Why, then, should not a nation exercise economy or *contraction* for the same end?

MR. C.—Because contraction in finance is not the same thing as economy in private life. Contraction in the finances of a country means the stoppage of a certain amount of the industry and exchanges, going on in the nation by reason of the contraction of the credit, by which these are sustained. It means factories stopped, men thrown out of work, and distress of families for want of the means to buy bread. Now, THIS IS ALL WRONG, and it arises out of a false financial system, not adapted to the wants of a people, whose wants and powers are all the time expanding, by reason of a natural increase in the population, and by our possession of a new country of unlimited natural resources, which yet need to be developed by the EXPANSION, and not the contraction of the credit, which capital gives to labor.

But, I grant you, there is a contraction on the side of debt in the finances of a country, which is always desirable. It is in that SOLIDIFYING process, which I have already described, *that turns currency into fixed capital, as the blood is deposited into bones, flesh and organism.* The bond, and the currency, based on it, must be paid and destroyed as evidence of that debt, as soon as value received for them can be turned into some permanent source of industry and capital, like the stone wharves and piers of the City of New York. But new credits must ever spring up, which are the

incipient condition of new improvements, public and private, and all fixed forms of capital. There must always be expansion enough in the currency to set all the capacity for useful labor in the country to work. This is the only limit to the expansion of credits. Gold and silver ceased long ago in the history of the world to serve as an adequate representative of all those exchanges, which are going on in the civilized world, and which it is the proper function of money to represent. Coin has long called to its assistance *paper of credit*, both private and public, not merely to represent coin as money, but to represent other real property and ESPECIALLY THE CURRENT DAILY LABOR OF THE WORLD'S INDUSTRIAL CLASSES, whose aggregate wages any day could not be paid BY ALL THE COIN IN THE WORLD. France uses gold, silver and paper, all as legal tenders, and keeps them all busy to satisfy her industrial and financial wants. But France could not get along a single day with the coin alone, which is within its borders, or with paper, that merely represented coin as currency. This being the fact, as every one ought to know, who talks on this subject, it is a most preposterous claim, that coin alone can serve as legal tender, or paper always convertible into coin. You may adopt the legal fiction, that all legal tenders should be convertible into coin at the will of the holder, but you cannot carry out this in fact; and the failure to carry it out at any given time, for any cause, may produce a *panic* with all its disasters.

REP.—But what would you have the Government do in reference to its present policy?

MR. C.—The course is plain. Let the Government issue, not only all the legal tenders, but all that passes in the shape of money—all should have the *image and superscription* of the Government, whether it be coin or paper. Let the Government start from a fact, that there has been and is now, through its instrumentality and necessities, so many millions of legal tenders and bank paper or currency set afloat, which, with the Government bonds now out, represent so much credit, resting on the honor and ability of the Government

to pay, but furnishing also the basis for a great amount of credit in the financial system of the country. On this the country has been depending, and with this it has been at work, in all its industries and trade, since the credit paper came into existence.

The Government has no right to take away these tools, that have set so much work on foot, from the people. It is not justice. Suppose a man has engaged another in the enterprise of building a house or factory, by promising to furnish all the tools, and by giving a certain valuation of rent for it, when it is finished. Then at a certain stage of the process of erection, the proprietor takes away a part of the tools necessary to finish the work, and, moreover, diminishes the valuation of both work and material. Would not that be considered a great act of injustice, especially, if the builder had no remedy in law against the proprietor? Now, this is precisely what the Government has done to the industrial part of the nation, with the additional injustice of compulsion in its dealings with the people, who are not the moneyed and the governing class. The Government, during a time of great exigency, issued millions of credit paper, on the strength of which the people willingly furnished labor and material to carry on a war of self-preservation against rebellion and disruption. But not only that, the people began to build up the country on the strength of this same credit paper; they set on foot new enterprises, built railroads, factories, and opened new mines and farms on the same credit, and by the facilities for paying labor and material, which this Government currency afforded. After the war was over the Government began to contract this currency, and to tax the people, in order to buy its bonds before they were yet due; which policy contracted credit so much the more; and it has continued to pursue systematically a policy of contraction; for the purpose, as alleged, to resume specie payments on this currency. The people do not want specie; they want the credits already given them, not to be withdrawn; they want their labor and material, freely given to save the coun-

try, or to build it up, to be valued by the same standard as that by which it was measured, when they began to work. The moneyed class obviously want scarce money and high rates of interest. This gives them more power and less expense. But the advantage of the whole people, including this very moneyed class, if their interests were rightly understood, is to have credit easy to the industrious, the honest, and the enterprising, and the interest of money more nearly equitable.

REP.—What, then, Mr. Cooper, would be your specific remedy for the financial troubles, which involve the country at present? What would be the policy you would recommend for the action of Congress?

MR. C.—At present Congress has devised no better plan for the financial policy of the country than this. Congress has passed a law, that specie payments for all currency shall be resumed in 1879, and to provide for this, it has authorized the Treasurer of the United States to withdraw currency, until the present volume shall shrink from four hundred to three hundred millions; and he is further authorized to sell bonds at 4 or $4\frac{1}{2}$ per cent. interest, to the amount necessary to get the specie wherewith to resume payments. As the 5 per cent. bonds, outstanding, are only at par now, I think the prospect is very poor for selling the 4 or $4\frac{1}{2}$ per cent. without ruinous discounts and large addition to the debt of the nation. If the banks also are made to do business and issue their notes only on a specie basis, instead of bonds as now, it will shrink their currency so as to bring another panic.

But, if the banks are allowed to give credits, secured by Government bonds, why should not the Government itself do the same? If it will hurt the banks, cripple and curtail so much their resources for giving credit, why is not such a policy objectionable as to the credits given by the Government? But here is precisely the point of departure of the moneyed class from the people at large. They wish to monopolize, not only *private*, but all *public* credits. All credits under the sanction and provision of law and the

Government ought to be *public* credits, for which the Government alone should be held responsible. Such is any paper currency now, even if it is not legal tender. Nothing but a legal sanction can pass a bank-note into the circulation to the country. The credit of the bank is indorsed by the Government, in order to be regarded as good. The Government, under the present system, often borrows its own indorsement! But the first point of departure I would have from this whole system of finance is, that everything, gold, silver, or paper, that passes into the circulation of the country, as money, should have the Government's *image and superscription* upon it, and should be issued and controlled entirely by the Government, so that there shall be no legalized money, directly or indirectly, belonging to private corporations. This is a part of that *special and class legislation*, that I have always contended against, as the bane of Republican institutions.

Now, I would have Congress repeal this last act of contraction of the people's credits in the shape of currency, while it is an expansion of credits to the moneyed class, in the shape of bonds.

I would have Congress pass an act, which should make all currency that of the Government alone; and, of course, I should abolish the present bank currency, giving these institutions the option of doing business only on legal tenders; these they may secure at any time, by simply giving up to the Government an equivalent amount of Government bonds, whose interest thereafter stops, until bought up again by legal tenders. This will extinguish the interest-bearing debt of the country in part, by one not bearing interest.

Secondly, to start all fairly and justly, *I would have Congress pass an act, restoring the currency in volume to the condition, in which it was at the close of the war, or soon after; when, peace being declared, the whole nation sprang to the arts of peace with the energy of war; when they took these very credits, which the necessities of Government had*

furnished, as the price of the nation's life, and began to build up the country still more securely in the wealth and products of *myriad-handed industry*; when their hopes and their faith were stimulated to new life by this mighty credit, poured into the circulation of the country, and all the property of the country and its products were measured and exchanged by the new standard; when none were found idle, except the shiftless and those, who sought idleness; when no factory stopped its production for want of consumers, for all were consumers, because all were producers. I would have all that currency restored to the country, and not withdrawn or contracted by taxing the property of the country to pay it; but allowed to remain, till it had produced its equivalent by the industry and products, which it brought into existence.

I would have this whole volume of currency made as permanent and invariable a measure of property and exchange as possible, by neither increasing nor diminishing its volume by any arbitrary law; but rather use the agency of Government to keep at its present stated volume, by issuing it again with one hand for labor, service and bonds, while it received it with the other as currency. I would have this specific volume of the currency, from which we shall now start, henceforth and forever, never diminished at all, and only increased as *per capita*, very gradually and imperceptibly, as statistics shall show, and a rule of increase founded thereon, as the exchanges and the population of the country increase. And this would be virtually equivalent to making the currency a permanent and unfluctuating standard of values; for it would keep it in the same ratio or relative measure to all the property of the country and the increase of its population. I would thus make the stated volume of currency, which has been forced upon the country at one time, but which now threatens the most unhappy consequences, if it be withdrawn—I would make this one volume an unvarying measure for all time, by giving it an expansion by rule and statistical measure of slow application, and

such as would never derange prices or permit fluctuations. I would not increase the bonded debt of the country either, except by rule and statistical measure; but I would change its form from the present high rate of interest, and from so large a portion payable in gold to foreigners, into a debt of equitable rate of interest, and payable to our own citizens.

REP.—But how can this be done without repudiation and dishonor to the country?

MR. C.—No vested rights can stand in the face of the public welfare; common and statute law recognizes this principle. Hence, all vested rights can be repealed by the law-making power, that conferred them. Under this principle, private property can be taken for public use, and all corporate rights can be abolished, that stand in the way of the public welfare—but never without proper compensation to the parties, that may be losers; and of this, the public administration must appoint the means and provide the regulations. But I propose to change the character of the bonded debt by a voluntary process.

First. Whoever needs currency must give up the Government bonds for it. The compulsion here is in making every one do business and pay debts in legal tenders; and the principle for their use exclusively is, that the public welfare admits of no other money.

Secondly. Whoever desires to fund the currency shall receive bonds at a lower rate of interest than that, which legitimate business now gives, but which is higher than the average yearly increase of the whole property of the country. This I would fix upon as the interest of the bonds; it is now about three per cent.

There is an element of compulsion here; but as the whole country pays the interest on the public debt, it seems but just, that only that amount of interest should be paid, which the increase in the public wealth justifies, and no more.

REP.—But how will you prevent the too rapid funding of the currency, and keep it at a steady volume, as you propose?

MR. C.—This *too rapid funding* is, I think, a groundless fear, considering the low rate of interest given. Because, in a country like this, so active, so enterprising, and so full of new resources, the opportunities and the solicitation for safe investments are far greater than in the old country, and would naturally tend to draw money from funding; so that the calls for currency would be equal, if not superior, to the applications for funding. But as the Government controls the whole matter, it can keep an *even hand* by allowing neither the funded debt nor the currency to increase beyond a certain ratio to each other. As the currency was received, it might be paid out again for service, material, or bonds; as the bonds were received, they could be paid out again for service, material, or currency. Thus the whole of the circulation between bonds and currency could be kept even.

This great bonded debt of the country would really become the refuge and security of the widow and the fatherless, and those poor and ignorant people, who cannot invest their little savings in legitimate business, even through others, because they cannot trust them, and have no ability to watch the safety and protect the use and return of their money. The public debt would become the poor man's Savings Bank, instead of being as now, the exchequer of the rich, and the means of pampering wealth and idleness. Benevolent institutions, churches, and college endowments would seek it, for the same reason, because of its *perfect safety*; and even the same funded interests of Europe would seek investment in this country for security, and would gladly pay gold for all the bonds they could buy, at a little higher interest than their own countries could afford.

REP.—But what about the *gold* all this time, which is now very much mixed up with this question of finance, because it is so universally the legal tender of civilized nations?

MR. C.—It might be a part of our legal tender still. France makes gold, silver, and paper, all legal tenders; why cannot we? But, if any one wants gold as a *commodity*, let him buy it as any other commodity, at the market price.

Let such exchange or currency or any other commodity for gold, as suits their convenience and the state of the market, which no Government can control without tyranny and interference with private rights. That whole subject will take care of itself, and the whole circulation of the world will naturally mingle and interchange with our national circulation, as the outer air mingles and interchanges with the air of the room, if passages are left free.

REP.—I understand you, then, Mr. Cooper, that you regard this whole contest about the currency as a conflict between the *vested rights* of the whole moneyed class and their interests, but ill understood, and the rights and interests of the whole people; that you regard the whole legislation of Congress on this subject, with little exception, as made in the interests of class, special and partial legislation, which has been, thus far, the bane of our Republican institutions; because, under forms of law, it sacrifices the people to classes of special privileges; and I understand your present remedy for all the present evils and all the future, which are likely to occur from our system of finance, is, that Government alone issue all currency and whatever circulates as money, and makes this currency *interconvertible* with bonds, which the Government can control, and not with gold, which it cannot control; and further, that the Government start in the present emergency, from precisely that volume of credits in currency and in bonds, that was set afloat by the irresistible necessities of the war for the Union; that this volume should be sustained substantially as it was soon after the close of the war, when it rose to its maximum; and be made the measures of all values, and the means of exchanges for all coming time—subject only to the slow increase of volume, which statistics shall justify as the increase of population, and its ratio, *per capita*, to the currency.

MR. C.—That is precisely as I propose; and my efforts to bring this subject before the public are heartily seconded by many able gentlemen.

REP.—But it appears to me, Mr. Cooper, you place great

power in the hands of the Government by such a policy. It may lead to enormous speculations and peculations on the part of individuals and officials. Politics will become a trade more than ever, because of their close connection with finance, commerce and moneyed institutions. Some administration may ride again and again into power, and overthrow finally all the free institutions of the country with a great flood of currency, which it can manufacture in unlimited quantities by a slight change in the laws, that Congress may be induced to enact at any time.

Mr. C.—It would require almost a treatise on republican government to answer all your objections, and then you could not be answered, if you had no faith in free principles and democratic forms, and in the paternal functions of a Government instituted “by the people and for the people.” The slave-holders of our country had to learn this lesson at last, and I do not know any vested rights in property so enormous, or so intelligent and well organized resistance as slavery brought to bear upon the free institutions of this country. And yet the slave-holding portion of this country will find itself the greatest gainer by its losses. They lost in the conflict, chiefly through the might of *truth* and justice, which will be their great gain. We shall have many conflicts, doubtless, between the people on one side, and moneyed, social, or religious classes organized with certain claims and even vested rights; but never again so great a conflict as the slave-holders brought about. I think the Union and the Republic may be regarded as safe for a long time to come. The people can and will control this Government in their own interest in the future, as well as in the past, precisely in proportion as they can be made conscious of their power and their rights. The forms of the Constitution and laws are all favorable to them now, but their understanding is darkened by bad counsels. The Government is already, and ought to be in a still larger measure, *paternal*. It should aim constantly to “establish justice,” and organize love and right into law. If we can teach the people justice,

and truth, they will see to it that the "Republic suffers no detriment." There is nothing that I can perceive in the policy I advise, that will place any uncontrollable power in the hands of any Administration or Congress. If the law will not protect the people's rights, let provisions of the Constitution be resorted to. Let us have a *civil service*, that will make office under Government more of a *professional* and regular occupation than of trade and bargain for place and patronage. Let the United States embody in their Constitution, as has the State of New York, that there shall be "no special, *partial*, or *class legislation*," and make its laws on the currency conform to this provision of the Constitution.

The question of the currency is of boundless importance to the American people. The stability of our Government will depend on a wise settlement of this momentous interest.

The American people will never allow this subject to rest, until it is safely moored to that sure foundation of the eternal principles of truth and justice, on which our fathers placed the Constitution of these United States.

Our fathers meant, that the Government should be of the people and for the people. They intended to embody the wisdom of simplicity into law, and make it a shield of protection for the unsuspecting masses of the people against those, that are resorting to all forms of art to obtain property without labor. The framers of the Constitution would never have recommended one kind of money for the issues of the Government, and another for the people.

Under the circumstances, in which our Government was placed at the close of the late war, they should have taken the advice of their most venerated member, Benjamin Franklin, who said that "paper money, well-founded, has great advantages over gold and silver, being light, and convenient for handling in large sums, and not likely to be reduced by demand for exportation."

"On the whole," he says, "no method has hitherto been found to establish a medium of trade, equal in all its advantages to bills of credit made a general legal tender."

If I have done, or can do anything to restore the tools of trade to the American people, to enable them to work out the salvation of our country from the present paralyzed condition of trade and commerce, I shall regard it as a treasure that "moth and rust cannot corrupt,"—one that will brighten, while life, thought and immortality endure.

TWO OPEN LETTERS TO HIS EXCELLENCY R. B. HAYES.

New York, June 1, 1877.

HONORED SIR—Allow me to offer you my heartfelt thanks for the wise and independent course you have adopted in the discharge of the responsible and difficult duties, that you have been called upon to perform. The deep interest you are manifesting in the nation's welfare, has already sent a thrill of hope and joy into the hearts of suffering millions throughout our country. They are looking to you with anxious hope, that you will urgently recommend and insist upon the "establishment of justice" in the dealings of the Government with the people; as that is the only possible way, by which the general "welfare of the nation can be promoted."

Your noble course has, thus far, inspired the people with the hope and trust, that you will, in the providence of God, be our country's Moses, to lead the people from a threatened bondage, that now hangs over the liberties and the happiness of the American people.

This bondage has its manifold centre and its secret force in more than two thousand banks, that are scattered throughout the country. All these banks, are organized expressly to loan out their own money and the money of all those, who will entrust them with deposits. These loans are made to men, whose business-lives will soon become dependent on money, borrowed from corporations, that have a special interest of their own. Such a power of wealth, under the control of the selfish instincts of mankind, will always be able

to control the action of our Government, unless that Government is directed by strict principles of justice and of the public welfare. The banks will favor a course of special and partial legislation, in order to increase their power—"for even the good want power;" they will never cease to ask for more, as long as there is more, that can be wrung from the toiling masses of the American people.

Such a power should never be allowed to go out from the entire and complete control of the people's Government. The struggle with this money-power, intrenched in the special privileges of banks, has been going on from the beginning of the history of this country. It has engaged the attention of our wisest and most patriotic statesmen. Franklin, Jefferson, Webster, Calhoun, Jackson have all spoken of the danger of such a power and the necessity of guarding against it. . . .

The present Secretary of the Treasury, Sherman, speaking in the Senate, when the subject of regulating the currency was under consideration, declared it to be a fact, that "every citizen of the United States had conformed his business to the legal tender clause." That Senator further declared, as appears by the *Congressional Record*, that "if the bondholder refuses to take the same kind of money, with which he bought the bonds, he is an extortioner and a repudiator. . . . There is no such burdensome loan negotiated by any civilized nation in the world as our five-twenty bonds, if they are to be paid in gold." And yet these very six per cent. bonds, that were issued under a law, that made them payable in the currency of the country, have by a *most cruel and unaccountable* change in the law, been made payable in gold—the very bonds which had been sold at from forty to sixty dollars in gold for one hundred in currency, thereby causing a debt, that now hangs like a millstone on the neck of the nation. It should always be remembered that debt, in all the ages of the world, has been the most effectual means for holding the mass of mankind in a species of enslavement.

Within my own recollection unmarried white men could be sold for debt in the State of Connecticut; so that debt is a species of slavery, as commerce is a kind of commercial war. It is a war of interests, as all nations are using their highest arts to buy as cheap and sell as dear as they can.

Our Government can only regain its former prosperity as a nation by adopting a similar national policy to that, which has made and protected the industries of France.

One of the causes, that brought on the Revolutionary War, as will appear by the following statement, were the laws, that were passed by England expressly to deprive her colonies of the right to manufacture for themselves:

"The first attempt at manufacture in the American colonies was followed by interference on the part of the British Legislature. . . . In 1710, the House of Commons declared, that the erecting manufactories in the colonies tended to lessen their dependence on Great Britain. In 1732, the exportation of hats from province to province, and the number of apprentices, were limited. . . . In 1750, the erection of any mill or engine for slitting or rolling iron was prohibited. . . . In 1765, the exportation of artificers from Great Britain was prohibited, under a heavy penalty. . . . In 1781, utensils, required for the manufacture of wool or silk, were prohibited. . . . In 1782, the prohibition was extended to artificers in printing calicoes, muslins, or linens, or in making implements, used in their manufacture. . . . In 1785, the prohibition was extended to tools, used in iron and steel manufacture, and to workmen so employed. . . . In 1799, it was so extended as to embrace even colliers.

The war of the Revolution of our own country was brought on by a war of commercial interests. It was a war that showed a determination on the part of the mother country to keep her colonies entirely dependent on England for all forms of manufactured articles. Laws were enacted to prevent the colonies from manufacturing out of their own good raw materials things indispensable for their own use,

and necessary to give employment to those, who have nothing to sell but their own labor.

Washington, Franklin, Jefferson, and the Revolutionary fathers were men, who could see how utterly impossible it would be for the American people to *buy anything cheap from foreign countries, that must be bought at the expense of leaving our own good raw materials unused and our own laborers unemployed.*

Our Constitution has declared, that Congress shall have power to make all laws, which shall be necessary and proper, to lay and collect taxes, duties, imports, excises, to pay the debts and provide for the common defence and the general welfare of these United States. Also "to borrow money on the credit of these United States."

It was by this constitutional power, vested in Congress, that all forms of Treasury notes were issued and used as so many dollars of legal money of the country. At the close of the war of the Rebellion, our Government found itself encumbered with promises to pay that, which it did not possess and could not command, only as the amount could be drawn from the people in some form of taxation. The promise to pay should never have been made. It should have been a promise to receive, instead of a promise to pay tokens of debt, which the Government had been compelled to pay out as money in its struggle for the nation's life. It was a currency, that had proved itself, as President Grant had declared it to be, "the best money, that our country had ever possessed, . . . that there was no more of it in circulation, than what is required for the dullest business season of the year."

These facts being established by a condition of unsurpassed national prosperity, that prevailed throughout our whole country at the close of a great and terrible war. After such a demonstration of the strength, wealth and power of a nation, there was no good reason for acts of legislation avowedly to strengthen the credit of a nation, that had carried on such a war *and obtained such a victory.*

What must the American people think, when they come to know and understand, that a governmental policy has been adopted which has taken from the people their currency, that was furnished by the people without cost, and turned into such an oppressive debt, as now burdens and paralyzes the industries of the country?

The amount of currency, so found in circulation at the close of the war, should never have been allowed to increase or diminish, only as *per capita* with the increase of the inhabitants of the country.

Such a currency should have been made receivable for all forms of taxes, duties and debts. That would have made our *national paper money* as much more valuable, than gold in proportion as it would be more easily and cheaply handled in large sums.

Our national currency must be made receivable for all purposes throughout the country, and interconvertible with three per cent. Government bonds; it would then, like the consols of England, soon become an ever-strengthening bond of national union. Such a currency would have been worth more to the American people, than all the gold mines, that had ever been discovered on the continent of America.*

*The following is a statement of the interest of money paid by the United States since the close of the war of the Rebellion. The following statement shows, that \$1,422,057,577 has been paid in interest in 11½ years:

Principal—Interest-bearing	\$1,717,042,130
Non interest-bearing	478,923,757
	\$2,191,565,887
Interest due on above:	83,092,616
	\$2,224,658,503
Less cash in Treasury	154,299,886
Debt at May 1, 1877	\$2,070,358,617
Debt at July 7, 1866	2,783,425,879
Reduction since July 1, 1866 (10 10-12 years)....	\$718,067,262

Since the close of the war, or from July 1, 1865 to April 1, 1877 (11½

I hold our Government bound to give back to the people their small currency, that was costing them nothing, and then call in the silver currency, that has been put in its place at a cost of \$31,738,400 paid for silver up to April 20, 1877. This silver should be immediately withdrawn, and used in the purchase of foreign bonds, thus saving for the American people an amount of interest, if compounded, that would pay the national debt several times in one hundred years, and at the same time give the country a more convenient currency, which would be more than paid for by the amount, that would be worn out and lost by its use. If silver change is ever needed, it can be had with only the cost of coining it by the Government, as nearly all the silver, produced in the country, will go into coins, whenever the Government will coin it without cost to its owners.

I find myself compelled to agree with Senator Jones, where he says that "the present is the acceptable time to undo the unwitting and blundering work of 1873. . . . We cannot, we dare not, avoid speedy action on the subject. Not only does reason, justice and authority unite in urging us to retrace our steps, but the organic law commands us to do so, and the presence of *peril enjoins what the law commands.*"

years), the interest on the public debt was \$1,422,057,567, or \$121,000,000 per annum!

The universal cry over the land is for employment. When well employed the people are well clothed, well fed and well housed. The adjustment of the fiscal question—NOT *for one class*, but for the *masses*—must be made ere prosperity is ours. The recall from Europe of our gold bonds (by sale of commodities, placing them at low interest) and substituting greenbacks for national bank-notes, would remove grievous burdens, providing employment by stimulating our depressed industries.

Will President Hayes inaugurate this just policy, insuring general prosperity and spontaneous "resumption," or the par of paper with gold?

The true remedy for national relief from the enslavement of debt, with its burden of taxation, is the substitution of greenbacks for national bank-notes.

The national banks have received since 1866 twenty-one millions of dollars interest on bonds deposited with the Government.

I have ventured this long letter in the firm belief, that the adoption of a permanent, unfluctuating national currency, as before stated, equal to the amount actually found in circulation at the close of the war, and *that amount should never be increased or diminished*, only as per capita with the increase of the inhabitants of our country—such a measure of all internal values, with a revenue tariff of specific duties to be obtained from the smallest number of articles, that will give the amount needed for an economical government—such a national policy would introduce prosperity once more into the trade, commerce and finances of this country.

NOTE.—*Expansion versus Contraction.*—The following statistics from the London *Economist* demonstrate the fact, that the expansion of French Government legal tenders has kept pace with the accumulation of specie, and materially develops the home interests of that country :

“Of legal tenders in April, 1869, the circulation was 214 millions dollars, and in April, 1876, 494 millions, being an increase in seven years of 280 millions, or 130 per cent. !

Of specie and bullion in December, 1869, the stock was 247 millions dollars, and in November, 1876, 432 millions, or an increase in seven years of 185 millions, or 75 per cent. !

The striking prosperity of French industries under the above fiscal policy augurs strongly for an expansion equal to the amount found in circulation at the close of the war, and against a contraction.”

Our Government has, from its origin, neglected to perform one of the most important duties, enjoined on it by the Constitution, where it says, that Congress shall have power, not only to coin money, but to regulate the value thereof. This can be and should have been done by an Act of Congress to regulate the value of money by fixing the amount, that can be legally collected as interest for the use of money.

When such an Act has been provided to prevent extortionate demands for the use or interest on money, and when the law has been repealed, that is now paralyzing the country with the terrible fact, that some fifteen hundred millions of dollars, now due from the people to the banks, with all the other debts, that are to become due in 1879, *are by law* made payable in *gold*, then the way will be opened for a restoration of confidence and a permanent financial relief. The law contracting the currency is now taking from the people their legal money, costing the Government and the people nothing, and then converting this same currency into a national debt, for which the people are to be taxed for the next thirty years. *It should never be forgotten, that the first sixty millions of Treasury notes were issued and made "receivable in payments of duties on imports a lawful money and a legal tender."*

The fact that the sixty millions then issued did continue receivable at the Treasury on a par with gold, when gold was selling at 285 in currency, this fact is proof positive, that had the Government made all the greenbacks full legal tender, instead of sending them out partially demonetized and repudiated, they would never have fallen below par. It was the partial demonetization and the contraction of the currency, that has so effectually destroyed confidence and dried up the sources of both production and consumption. The people are deprived of their currency, which had for years formed the life blood of the trade and commerce of our country.

My efforts in all I have written, have been to call and fix the attention of the American people on those truths and principles, so grandly set forth and declared in the Preamble to the Constitution, formed for us by the Fathers and founders of a Government, intended to establish justice as the true and only sure means, by which the general welfare of the American people can be substantially promoted.

Hoping and believing, that your best efforts will be given

to secure for our beloved country the blessings of a good Government,

I remain, yours, with great respect,

PETER COOPER.

NEW YORK, August 6, 1877.

HIS EXCELLENCY R. B. HAYES,

HONORED SIR—Although I have but lately addressed you an open letter on the sad state of the industrial and financial conditions of our common country, and the causes, that have brought it about; yet the events, that have since transpired, while they have given additional emphasis to that appeal, justify me in once more addressing you on the same subject.

Surely, the peaceful expostulations and complaints of so many thousands of your fellow-citizens, going up from every part of this distressed country, not to speak of the violence and lawlessness, which this distress has occasioned, not only appeal to your humanity and patriotism, but call for the most earnest and instant action on the part of the Government, of which you are the chief Executive.

From your past patriotic life and action, and from your present wise and conciliating conduct in the political affairs of this country, we have every reason to hope a new and straight path of relief will be found for the manifest evils, under which this country is laboring.

It is with this hope, and, at my advanced age, with no other motive than the welfare of our beloved country, that I unite with thousands of my fellow-citizens in calling your attention, and that of your political advisers, not only to the facts, which are obvious enough, but to the causes and the remedies, that ought to be considered in devising the best means of curing the present evils. The facts themselves are appalling to any patriotic heart.

More than two hundred thousand men, within the last few weeks, have joined in "strikes" on the various railroad lines, the workshops and the mines of the country, on ac-

count of further reduction in their wages, already reduced to the living point. That some of these strikes have been attended with lawless and unjustifiable violence, only shows the intensity of the evils complained of, and the despair of the sufferers. For four years past, since the "panic of 1873," millions of men and women, in this hitherto rich and prosperous country, have been thrown out of employment, or living on precarious and inadequate wages, have felt embittered with a lot, in which neither economy nor industry, nor a cheerful willingness to work hard, can bring any alleviation.

Is it to be wondered at, that *enforced idleness* has made tramps of so many of our laboring population, or induced them to join the criminal and dangerous classes?

During this same period, immigration into this country of the hardy and industrious of all nations, who have hitherto built up our country, has, in a great measure, stopped, while thousands of artisans and mechanics, whom a prosperous country cannot spare, are emigrating to other countries. Our manufactories are, many of them, closed, or running at a loss, or giving starvation prices to their operatives. Our merchants are demanding the reduction of their rents, discharging many of their employés, and such as are in debt are fast going into bankruptcy. The mining and railroad interests of the country, on which the income and the employment of so many thousands depend, are fast succumbing to the general failure in the finances of the country, so that their stocks have become depreciated or worthless, and their employés discharged or mutinous on account of reduced wages. Real estate has depreciated to less than half of what it would have brought four years ago; much of it cannot be sold for any price, and mortgages of one-quarter its value, if foreclosed, swallow up the whole. The thriving and enterprising farmer of the West, especially, feels this rise in the value of money, as compared with labor or property. With the hardy toil of years, he has opened and improved his farm, and the comparative small loan, which

laid but a light weight on the resources of his land in prosperous times, and with a sufficiency of money, is now threatening to swallow up the labor of his life! Even the banks and the loaning institutions, not being able to invest their money on "good securities," are embarrassed on both sides—the failure of their debtors, that throws so many of the securities on their hands, and makes bonds and mortgages a "glut in the market," and the difficulty of making any new loans or investments, so that money "goes a begging" at one and a half and two per cent.!

But these moneyed men are very patient with their troubles in this respect, for they know, that *money is appreciating in value all the time!* It may be now that loanable capital, on good security, is gathered largely in the moneyed centres, and much of it comparatively idle; but this is no great hardship to those, who own the capital, in the presence of the fact, that money is *appreciating* in its relative value, while waiting for active investment. This is the secret why money seeks no active investment now, but only good security, or idleness. The country at large, its various industrial, enterprises and its labor *are in want of money.* Is there any fact more obvious than this? Nor is it the rich that want money, but the poor, as a necessary condition for selling the labor, which is their sole possession. Hence, to the poor man, *cheap money is equivalent to cheap bread.*

Ever since 1865, this country has *been losing its money.*

During the last ten years, thousands of millions of money have been swallowed in Government and railroad bonds and other securities, and in importations which, till lately, have far exceeded our exportations. It is a fact on record in the books of the United States Treasury, and by such authorities as Spaulding in his "History of the Currency," Mr. Maynard, Chairman of the Committee on Banking and Currency in Congress, and Spinner, Assistant Secretary of the Treasury, that this country had, up to the year 1865, issued in different forms of currency and treasury notes, current as money among the people, \$2,192,395,527! This vast sum

had, on the first of November, 1873, shrunk to \$631,488,676 (see *Congressional Record*, March 31, 1874).

In the year 1865, there was in the hands of the people, as a currency, \$58 per head; in 1875 the currency of all kinds was only a little more than \$17 per head.

You may call this currency a vast debt of the people, as it was incurred by the Government to save the life of the nation. But it was *money—every dollar of it*. It was paid by the Government “for value received;” it was used by the people to pay their debts, to measure the value of their property, and, as your present Secretary of the Treasury, Sherman, said in his seat in the Senate, “every citizen of the United States had conformed his business to the legal tender clause.”

This currency was also the creature of law, and under the entire control of the Government, but held in trust for the benefit of the people, as are all its functions. Was it either just or humane to allow \$1,100,000,000 of this currency, a large part bearing no interest, but paying labor, and fructifying every business enterprise, to be absorbed into bonds in the space of eight years, bearing a heavy interest, of which the bondholder bore no share? (See Spaulding's “History of the Currency.”) The Government seemed to administer this vast currency, as if there was but one interest in the nation to be promoted, and that the profit of those, who desired to fund their money with the *greatest security*, and to make money scarce and of high rate of interest! *This is the issue of the hour; this is the battle of the people and for the people, in which the present administration is called upon to declare which side it will take.* If this policy was unjust and ruinous at the first, it is unjust and ruinous now. If it has led us from prosperity into adversity, the only course is *to retrace our steps*, to stop this funding and give the people back their money, justly earned and hardly won by the toils, perils and sacrifices of the people. But as this vast and life-giving currency has now gone irretrievably into bonds, and the bonds

have gone largely abroad for importations, that have still further depressed the industry of our people by buying abroad what we could and should have manufactured at home, I would respectfully suggest the following policy for your administration in the present emergency and for the future prosperity of the people of this country :

First. Let the Government give immediate relief to unemployed labor, either through definite methods of help, given to settlers of unoccupied lands in the West, or by great and obvious public improvements, which are seen to be necessary to the prosperity and safety of the country—such as a North-western and a South-western Railroad. Both these methods might be used, in view of the great distress, now, of the laboring classes. The railroads will invite settlements, protect the country from Indian wars, more costly than the railroads themselves, and give employment and the money, which will enable the poor man to settle the lands. Even State and municipal help might be evoked to this end of employing labor, by issuing currency, for the bonds of States and Municipalities, that could employ labor profitably in any local improvements.

Secondly. Restore the silver coinage as a legal tender; and while it swells the currency, it may be made as light as paper, for transportation, by "Bills of Exchange," or by a currency that represents silver. The demonetization of silver was a trick of the enemies of the poor man's currency. The remonetization of silver will be a great relief now, in the depression of all business, if not the final and best measure.

Thirdly. Let us adopt a permanent policy of public finance, that shall hereafter control both the volume and the value of the national currency, in the interest of the whole people, and not of a class. Let us have a national currency fully honored by the Government, and not as now, partially demonetized—the sole currency and legal tender of the country, taken for all duties and taxes, and *interconvertible* with the bonds, at a low but equitable rate of interest. This

will forever take the creation of currency and its extinction out of the hands of banks, and those interested in making it scarce and high, and put it completely under the control of law and the interests of the people.

Fourthly. Let us promote and instruct industry all over the land by founding, under National, State and municipal encouragement, INDUSTRIAL SCHOOLS of every kind, that can advance *skill in labor*. The rich need the literary and professional school and colleges, and they should have them; but the poor need the *industrial school of art and science*; and it should be made the duty of the local governments to provide a practical education for the mass of the people, as the best method of "guaranteeing to every State a republican form of government."

Fifthly. The Government can do much toward promoting the industry of this people, and encouraging capital to enter upon works of manufacture, by a judicious tariff upon all importations, of which we have the raw material in abundance, and the labor ready to be employed in the production. It is no answer to this to say, "Buy where you can cheapest." I have said before, We cannot, as a nation, buy anything cheap, that leaves our own good raw materials unused and our own labor unemployed.

Sixthly. Let us have a civil service as well organized and specific as the military or naval service. Let us take the civil service out of mere political partisanship, and put such appointments upon the ground of honesty, capacity and educational fitness, so that no man can hold his office and receive its emoluments without a faithful discharge of the duties prescribed by the law. The noble and efficient recognition, that you have already given to this principle, in divorcing politics from the ordinary clerical and civil service of the country, entitles you to the thanks of every citizen.

By these methods of immediate relief and future administration, we may pass safely, I think, the great crisis through which our beloved country is now laboring.

"The producing cause of all prosperity," says Daniel Webster, "is labor, labor, labor. . . ."

The Government was made to protect this industry—to give it both encouragement and security. To this very end, with this precise object in view, power was given to Congress over the currency and over the money of the country."

Though the influences, that are now working against the rights of labor and the true interests of a Republican Government, are insidious and concealed under plausible reasons, yet the danger to our free institutions now is no less than in the inception of the Rebellion, that shook our Republic to its centre. It is only another oligarchy, another enslaving power, that is asserting itself against the interests of the whole people. There is fast forming in this country an aristocracy of wealth—the worst form of aristocracy, that can curse the prosperity of any country. For such an aristocracy *has no country*—"absenteeism," living abroad, while they draw their income from the country, is one of its common characteristics. Such an aristocracy is without soul and without patriotism. Let us save our country from this, its most potent, and, as I hope, its last enemy. Let your fellow-citizens beseech you, Mr. President, to consider well what the crisis of the country demands of you and your political advisers, not losing sight of the fact, that there are great wrongs, which must be righted in the administration of the finances of this country, for the last twelve years. Old issues of North and South are, in a great measure, passing away, and that patriotism and far-sightedness which has so far guided your administration, we hope and trust, will find a way to relieve the present distress of the country. There is no section of our common country, that needs so much the reviving influence of an abundant and a sound currency, as the South. The Southern people have the finest natural resources our country affords; every facility for manufacture—the material, labor and water-power indefinite. They need only money, wisely distributed among its working and enterprising population; and it was well said, lately,

by one of the Southern statesmen, that the "*Government had impoverished, discomfited and crushed the South more by its financial policy, since peace was declared, than by its arms during the whole war of Rebellion*"!

If the people can look for no relief from the present Congress and Administration—if those, who now sway the financial interests of the country, cannot see their great opportunity—then *new men* must be chosen by the people whom they can trust to make laws and execute measures that "shall secure the blessings of liberty to themselves and their posterity."

LABOR PROSPERITY IN ENGLAND FROM 1797 TO 1815.

Extract from MARVIN WARREN'S Work on American Labor.

Sir Archibald Alison, author of the *History of Modern Europe*, says: "The next eighteen years of the war, from 1797 to 1815, were, as all the world knows, the most glorious, and taken as a whole, the most prosperous, which Great Britain had ever known. Ushered in by a combination of circumstances the most calamitous, both with reference to external security and internal industry, it terminated in a blaze of glory and flood of prosperity, which have never since the beginning of the world descended upon any nation. Prosperity universal and unheard of pervaded every part of the empire. Our colonial possessions encircled the Earth; the whole West India Islands had fallen into our hands; an empire of sixty millions of men in Hindoostan acknowledged our rule; Java was added to our eastern possessions; and the flag of France had disappeared from every station beyond the sea. Agriculture, commerce and manufactures at home had increased in an unparalleled ratio; the landed proprietors were in affluence; wealth to an unheard of extent had been created among the farmers; the soil, daily increasing in fertility and breadth of cultivated lands, had become almost adequate to the maintenance of a rapidly in-

creasing population ; our exports, imports and tonnage had more than doubled since the war began."

What caused this prosperity ? Exactly the same thing in kind that causes the present French prosperity. This eighteen years of English prosperity commenced in 1797, when the Bank of England was authorized by the Government to suspend specie payment, and continued just so long as it was not insisted upon by any party, that the bank should be required to pay specie, and ceased immediately as soon as that requirement was seriously urged. The money of England during that eighteen years was irredeemable paper money ; it was rag baby in its nature. The very kind of money, that the ministers of finance in our country tell us is a sore evil to have. True, like our present greenback money, it was inferior to the French paper money, because it was not a full legal tender for all debts in the country. Of course, then, it depreciated some in value as compared to gold, and did not have that full and complete beneficial effect, in dispensing its benefits to all interests and to everybody, as it otherwise would, and as the French money does. But like the French money in one respect, it was not redeemable in specie on demand, and hence it could be and was issued in quantities for the most part to adapt itself to the necessities of labor and business. Take notice, American laborers, that this period of English prosperity lasted just the eighteen years of time, that the money of England was not disturbed by redeemability in specie, nor seriously threatened so to be, and not any longer. So that English experience and French experience as to what causes prosperity accord one with the other, and they both are to the effect, that prosperity comes at once, upon the liberation of the money or currency of the country from being redeemed in specie, and then issued in quantities, suited to put the labor of the country all into active and profitable employment.

And take notice, also, just what kind of prosperity that was. It was the prosperity of labor ; all honest, useful labor. It was "prosperity universal and unheard of," and it "per-

vaded in every part of the empire." "Agriculture, commerce and manufactures at home had increased in an unparalleled ratio." And take notice, American farmers, the landed proprietors were in affluence, and wealth to an unheard of extent had been created among the farmers.

And I say this, also, that there was not in that English prosperity anything at all savoring of fiction, or wanting of substantiality. It was built on labor, and the labor stimulated by honest principles of finance, that simply rewarded the laborer, instead of robbing him. If those principles had been followed up and perfected, and kept alive in the laws of the country, instead of being supplanted by fraud and fiction, as they were afterward that prosperity would have lasted to this day, and would last as much longer as the true principles might be preserved. And so in our own country, we cannot only have that prosperity, but we can establish it upon principles, that shall make it enduring, and that is the business of the true men of this generation.

Why was it that just in that eighteen years of war England authorized her national banking institution to suspend specie payments and issue money in quantities, suited to the industrial and commercial wants and prosperity? It was, because Napoleon was then pressing her by his military power, and the very existence of the Government and nation itself required all the resources of the nation to be brought into active use for its defence, suspending for the time being the avaricious gains of the monied nobility. As stated above by the historian, this eighteen years was "ushered in by a combination of circumstances the most calamitous, both with reference to external security and internal industry." Think of it. All this prosperity came, not by favored circumstances, but in spite of circumstances, external and internal, the most calamitous; all simply through the power of honesty and truth, in the money of the country.

But in 1815, the war closed by the capture of Napoleon at Waterloo. The scourge of war now being removed, it

seems to have been thought, that the country could endure without entire destruction a scourge far worse than the war; and the Shylocks, with Sir Robert Peel at their head, or as an associate, began to insist seriously upon a law for resumption of specie payments. And then what took place?

Let Thomas Doubleday, in his *Financial, Monetary, and Statistical History of England*, tell what took place. He says: "Prices fell on a sudden to a ruinous extent—banks broke—wages fell with prices of manufactures; and before the year 1816 had come to a close, panic, bankruptcy, riot and disaffection had spread through the land. Vast bodies of starving and discontented artisans now congregated together and demanded reform of the Parliament. The discontents, as usual, the Government put down by an armed force. As the memorable first of May, 1823, drew near, the country bankers, as well as the Bank of England, naturally prepared themselves by a gradual narrowing of their circulation for the dreaded hour of gold and silver payments on demand. . . . The distress, ruin, and bankruptcy, which now took place, were universal, affecting both the great interests of land and trade."

Peel and his Shylock backers pressed the matter of the specie resumption law, and it was passed in 1819, requiring by its terms, specie payments to commence May 1, 1823—four years. Between the years 1815 and 1825, inclusive, by the specie resumption law, and by the loss of confidence, growing out of its pendency, more than four-fifths of the land-owners of England lost their possessions. The number of land-owners was reduced from 160,000 to 30,000. The very farmers, who had accumulated wealth to an unheard of extent in the eighteen years of suspension, now became bankrupt and penniless.

Wendell Phillips, in a letter to the New York Legal Tender Club, dated August 23, 1875, though slightly inaccurate in two or three historical dates and some other forms of expression, draws a faithful sketch of this English resumption,

as compared to our own, now in progress but not completed. The following is an extract of the letter :

“History is repeating itself. England never knew more prosperous years than from 1800 to 1820, during which she had neither go'd nor wished to have it, nor promised to pay gold to any one whatever. All that while she extended and contracted her currency without any regard whatever to gold. Her enormous trade and expenditures were all paper, resting on credit and nothing else. We had similar prosperity during the war, and after on the same terms. In 1820, England, listening to theorists, tried to put this new wine into old bottles, and dragged her business back to methods a century old—to specie. Bankruptcy, the very history of which makes the blood cold to-day, blighted the empire. It took half a generation to recover from the mistake. No man can to-day begin to show, that such suffering was necessary, that it achieved any good, or that it effected any change, which could not have been as well made without it.”

The object was not to have the paper currency redeemed in specie ; there was really no desire or expectation of that ; but simply that the paper money be driven from circulation, by making this impossible requirement of specie payment in respect to it, thus leaving but very little currency in circulation of any kind, and forcing down prices of labor and property, real estate especially, to almost nothing, rendering debtors unable to pay their debts, that their estates might be bought in at forced sales, or voluntarily to prevent the forced, at prices ruinous, and quite likely still leaving them in debt and without means to pay.

The scheme worked like a charm. By it under the forms and sanction of law, the property of the English people was gathered up in vast sweeping accumulations, and handed over to the nobility, and thus was the genius of the British society, its distinction of nobility and vassalage, restored intact.

The specie resumption law of this country, passed in Jan-

uary, 1875, is in substance and design a copy of the British law of 1819, above mentioned. Bear in mind the excuse is to redeem the paper currency in specie, the real object is to drive from circulation the currency of the country, reduce prices, and so rob the debtor class.

But let us look at the matter. What will the national bank-notes be redeemable in, when the greenbacks are withdrawn and burned up? The bank-notes must be redeemable in something, else they will be worthless, for they are not a legal tender for debt, as the greenback money is. At present the bank-notes are redeemable in legal tender greenbacks, and that makes them good. But the greenbacks withdrawn and burned up, and then what? Why, the bank-notes must then be redeemable in specie of course, as the resumption law provides. And where will the banks get the specie to redeem with? Some of the strongest of them will be able to get it, and continue their business. But it seems to us the bank-note circulation will be contracted instead of enlarged under the operation of this specie resumption law. Contraction has been the effect of it so far, and we have every reason to believe it will be more and more so up to the time of resumption. The requirement to redeem in specie causes this. That was the effect in England, as shown in the foregoing extract from Doubleday's History.

The contraction under our specie resumption law up to November 1, 1876, was \$30,710,732 of national bank-notes, and \$14,464,284 of greenbacks, besides \$20,910,946 more of greenbacks deposited in the treasury of the United States for the retirement of national bank-notes, making a total contraction of the currency of \$66,085,962 up to the date mentioned, and the contraction and destroying of the greenback money are still going on.

But when this contraction has gone on for a certain time, instead of a diffused and large credit pervading the country, we have all the loanable capital concentrated in the great money centres, and controlled by the banks, then *expan-*

sion of credits will be the order of the day. Bank credit will be thrown out in unlimited quantity, in the shape of bank-notes, ostensibly redeemable in specie, but really not; but all *secured* as loans on the property of the borrower. Then the banks and the money lenders have only to *contract* these loans, and the securities being suddenly thrown upon the market, sweeps the property of the many into the hands of the few. This is the game of all banking.

We purpose not to be an alarmist, and believe we are not. We think we have no motive or desire whatever to create misapprehension, groundless fear or unjust distrust of the integrity or capacity of those in authority. But, if this greenback money, constituting as it now does more than half of the currency of the country, be withdrawn from circulation by the first of January, 1879, the time fixed for resumption, there will be no enlargement of the bank-note circulation to take its place, or at least a very inadequate one, and probably a contraction instead, and at that time there will be precipitated upon the people of this country a financial disaster and loss of estates, like unto and probably equal to that, which was brought upon the English people in 1823, when more than four-fifths of the land-owners of that country were robbed of their possessions. All our principal finance laws, passed in the last eleven years, seem to us framed with a direct reference to a grand future crisis of that kind, to be brought about by contraction of the currency. We do not believe there has been a single annual report of our Secretary of the Treasury in all that eleven years, that did not contain one or more recommendations, equally monstrous with that one just quoted from the last report, seeming to us to ignore the plainest dictates of common reason, common justice, and practical experience, and aiming for a future crisis such as above mentioned.

I now ask the reader to again peruse carefully the progress of the English crisis from its beginning, in 1815, to its culmination, in 1823, the time of resumption, as given in the above extract from "Doubleday's History," and compare

therewith, as far as we have progressed, our own experience, embracing the last eleven years of our history, again inspecting withal the table of bankruptcies. It will be found, that we are travelling the same road exactly, and unless our people demand a halt, or restrain the Government by popular demands, we are destined to the same end. The only difference is, that the game here has to proceed slower and more cautiously, more shifts and devices are needed, and more newspaper aid has to be employed here to begot the people, than was required in England; because history throws more light on the subject now than it did then, and because the people here have more to do in the cause of Government than they had in England; and moreover, by reason of our greater natural resources, our country is able, without total and immediate ruin, to endure a greater amount of robbery. I do not believe there was ever such a horrid system of usury practised among men, as preys upon this country at this very time.

The crisis proceeds here as it did in England, with increasing bankruptcy of business firms, throwing laborers more and more out of employment. According to reliable statistics, failures in bankruptcy in this country have had a general increase for the last eleven years, being nineteen times as much in 1876 as in 1865. And every increase of bankruptcy has been marked by an increase of pauperism, suffering, death from destitution, disaffection, political and governmental corruption, and a failing of the confidence of our own people in our own republican institutions.

Specie basis or specie payments should be something of great value to cost so much suffering. What is it, therefore, and what is it for? This specie basis, or specie payment, is a something written down in the books of British science, and from thence copied into ours. Specie is a something, that a very few wealthy men, of almost any country, can buy up and hold at will, substantially the entire stock in that country, as is done now in the United States. This being done, then if there be no law for any legal tender

paper money in the country, but all the money, in order to be good, must be either specie or redeemable in specie, these few men will hold entire control of the money of the country, and can control all business and prices, and virtually own nearly everything in the country sooner or later, as always is done, where this specie basis fraud exists.

Again, this same specie is good to make watch cases, watch chains, and gold and silver dishes off, and to work into an innumerable variety of ornaments for persons, male and female, and otherwise to gratify the whims, vanity and pomp of the wealthy classes. And to what extent it may be required for this purpose in any one country depends upon the changes of fashion and the ability of men to indulge in it, either of which is unstable as the waves of the sea. Likewise in times of war, danger, or financial uncertainty, this specie is good to hoard up, and is hoarded by men, who are able, from motives of both security and speculation.

And besides these things occurring within the country, the like casualties all over the world, together with the uncertainty of the yield of the mines, and the ever-varying laws of the different countries in monetizing and demonetizing gold and silver and other materials, make the presence and availability of specie, either for money or the basis of currency, one of the most unreliable things in this unreliable world.

Yet British science calls this most fickle commodity the most reliable for a money basis. This policy will do for the British nobility as a most excellent fiction, by which to turn systematically to themselves the earning of the British laborers, as is constantly done in that country.. It may also do for American politicians or office-seekers (who, as we are aware, are excusable, if they have no ideas of their own) to prate about, so as to please the money-dealers and get their money support. But an American farmer, who is entitled to vote, and has a farm that he desires to keep and not have filched from him, and every other person identified with

the labor interests of the country, should consult his own common reason and his practical observation of things, and not lay aside either of these to be misled and ensnared by British fiction and clap-trap.

To know anything about this subject of money, it is necessary to pause right here and consider definitely what specie basis or specie payments mean. Most people think they do understand it, and yet do not exactly. Very many think that because we, the greenback men, oppose specie basis, we oppose specie money. This is furthestest possible from the truth. We do not object to specie money. The greenback principles, if thoroughly carried out, will make specie abundant in the country. Nor do we very seriously object to having our paper money promise to be redeemed in specie. The dependence on resumption in specie as an exclusive basis, so called—this is what we do object to most strenuously, and having the value of currency depend in the least degree upon its being so redeemed in specie. That is, the paper currency, whether so redeemed or not, should be a full legal tender for all debts throughout the country, the same as specie, so as to keep it par with specie in value. Owing to the fickle nature of specie there is, in fact, no such thing as specie basis for the currency of any commercial nation. Specie basis means no basis at all, but the absolute power of a few men to decide in their own interest, how much currency the people shall have for business, or whether any at all or not, with power to change the amount to suit their own speculative purposes.

To illustrate still more completely the real nature of this specie basis idea, take, for example, our own country, the United States. Now, any one year of prosperous business throughout this country would be attended always by two things: one is the activity of its money, passing from hand to hand, the other is growth. In other words, if we have a single year of active, healthy business, we are ready the next year to do a still greater business. Business grows with its growth. Growth of business requires a corresponding

growth in the quantity of money, just exactly as a tree, that grows vigorously one year by the nourishment of the earth and air, received through the sap, requires a greater quantity of that sap the next year to continue the growth and health of the tree. Hence we see in the Creator's order of things, as a tree grows larger, its roots fibres, and foliage reach forth deeper and higher, and broader that they may gather and transmit the necessary increase of sap and nourishment to the whole tree. Circumscribe those roots and fibres, or otherwise withhold the necessary increase of sap, required by nature, and you dwarf the tree or kill it.

Precisely so it is with nations. Prosperity, if we have any, is attended with growth, and a necessity for an increase of money. Withhold the increase of money and you will dwarf the nation, or kill it, and murder the inhabitants. Under a specie basis order of things what has the supply or specie to do with the wants of the nation for more or less money. Is it anywhere revealed to us, that mines and jobbers will always give forth a supply just suited to the business necessities? Nay, verily. But in proportion as you attempt to actually base the currency on specie will the jobbers grasp the specie and keep it out of legitimate business. Thus you limit the money of the country by an arbitrary, irresponsible power, that feels no sympathy with the money wants of the nation. The theory, therefore, of basing the money of a country upon specie, the most liable of all materials to be snatched away for luxury, vanity and speculation, and all the more sure to be so snatched away as the more we attempt actually to base money upon it, is a diabolical idea, a wholesale, murderous conception, and contrary to the Creator's order of things. To say that such materials, gold or silver, or both together, constitute the best basis for currency, is as contrary to the truth as to say that a brothel is the best place to preserve chastity, or that the taking of strong drink is the best way to keep temperate, or that a deep-sounding bed of quicksand is the best foundation for a house.

England herself does not in reality base her currency on specie, nor could she without bringing all business to a dead stop in a very short time. She just mixes enough of this specie basis fiction in her finances to continually or periodically divest the laboring classes of their earnings for the benefit of the nobility. But for the real basis of value to her currency, she makes the notes of the Bank of England, as well as her coins, a full legal tender for the payment of debts, but not the notes of the other banks. From this we see, that even in England specie basis is a mere fiction, a false pretence.

We have already seen what a terrible siege of robbery, destitution, suffering and death the Government of England made its people pass through from 1815 to 1823 to reach specie basis, or specie payments, the pretended haven of rest and happiness. And what was the result? The following statement being condensed from an article in the *St. Louis Commercial* of March 23, 1876, shows what that specie payment bliss amounted to when obtained:

"At the time of Napoleon's defeat at Waterloo, in 1815, the Bank of England and the country banks had an issue of \$270,000,000. The cry of resumption being raised, the banks set about a sharp contraction of both their issues and their discounts. Between 1815 and 1823, they reduced the volume of their issue 33 per cent.

"The crisis was at its height from the 12th to the 17th of December, 1825. Up to the night of the 14th the Bank of England had restricted its issues; but at that time, becoming sensible of its error, it resolved to make common cause with the country, and issued circulating notes to the amount of \$25,000,000. This policy was crowned with the most complete success. The panic was stayed almost instantly. Credit was revived, and a needless and protracted period of suffering was averted. This remedy consisted in a profuse issue of irredeemable paper money to the amount of \$25,000,000."

Similar but less disastrous panics happened in 1836 and

1839, and from then to 1843 general commercial stagnation prevailed throughout England.

In 1844, Peel's restriction act was passed by Parliament, forbidding the bank to issue beyond 14,000,000 pounds sterling on the Government stocks, except she has the gold in her vaults, pound for pound.

Three years after this act was passed, in 1847, the next panic ensued. The extreme pressure began September 23d and continued until October 23d, when the terrible game was played out. The Queen's Government ordering the act suspended and the currency expanded, two millions of dollars, with the assurance, that plenty more could be had, cured this panic instantan.

In 1857 the most unexpected and disastrous crisis they had ever experienced, swept across to them from our shores. To stop this panic the bank act was suspended again, and the currency—paper money—was expanded nearly \$34,000,000, in excess of the limit, which then stood at nearly 15,000,000 pounds,

In 1866 they had it again. The Chancellor of the Exchequer said the excitement was without parallel. On the evening of this black Friday, the ministry advised the suspension of the bank act, which was done the next morning, and in the course of five days \$60,000,000 of paper money issued to the entire relief of business and restoration of confidence."

From the above it will be seen what a beautiful thing this forced specie payment was, when reached through the horrible robbery of the English people in 1823. After it was reached it was maintained with increasing suffering and misery for two years and seven months, and then December 17, 1825, a suspension had to take place, and \$25,000,000 of irredeemable paper money had to be issued to stay the wretchedness. And again another author, Hon. Isaac Buchanan, says: "England seems to the world to have survived the process of a return to specie payment, although how she has done so, if gone into in detail, would be the saddest and

most harrowing record of human suffering. . . . At the end of thirty years (in 1839) the revenue, or in other words the property of the country, got fairly broken down, under the insidious operations of the English money system." Further the honorable gentleman says that, in the 1847 panic, thousands died of starvation in the cellars of the manufacturing and seaport towns of Great Britain.

Such are the effects of specie basis, or specie payments, so called, a thing that the English Government pretended to think of such great value and so desirable that, in order to reach it, she dragged her people from a condition of "prosperity universal and then unheard of," through eight years of unheard-of bankruptcy, starvation and misery, and then, when reached, the result was a continuation of the same horrors, until relieved again in two years and seven months by a temporary return to suspension of specie payments and the issue of irredeemable paper money. And then again, after twenty years more of miserable existence on the part of the labor of the country, we find the laborers dying by thousands of starvation, in the cellars of the manufacturing and seaport towns. And still these scenes have been followed by successive horrors of a similar kind at intervals ever since, relieved in every instance by a *return to suspension and an issue of irredeemable paper money.*

And still further, as late as 1875, we find the Chamber of Commerce of the British kingdom unanimously adopted a resolution praying the Chancellor of Exchequer to appoint a commission to inquire, amongst other things, "into the constitution and actual management of the Bank of France, as compared with the constitution and actual management of the Bank of England; as to the points of difference in the constitution and actual management of those banks respectively, to which may be attributed the crisis and panics, which occur periodically in the English money market, and do not occur in the French money market at all."

Now, it is to be borne in mind, that there has been no specie payments in France since 1870, or at least no law yet

in force requiring it; and yet the paper money of that country, unlike that of England, is all a full legal tender, and all the time substantially par with gold. This is the one essential point of difference between the two systems of money of those two countries, the French paper currency, or money, is a full legal tender for the payment of all debts, public and private, within the realm, and can, therefore, issue continually, and does issue, in sufficient quantities for the business of the country, without any depreciation of value. Whilst in England, the bills of none of the banks, except the Bank of England, are a general legal tender for debt, but depend for their value on being redeemed in specie, or in the Bank of England bills; whilst the bills of the Bank of England, although a legal tender, are limited usually to such amount as can be redeemed in specie. That is, in short, the English paper money is, to some extent at least, specie basis money, whilst that of France is irredeemable, rag-baby stuff, essentially such as England had in time of her great prosperity, and yet such as the prevailing authorities of this country and England call a pernicious evil, but which the commercial or mercantile interests of England are longing to have established in opposition to the specie basis fiction of the money craft of that country.

NOTE.—The foreign balance of trade, in our favor at present, is, in this instance, not the result of prosperity of home, but of lack of employment and poverty among our people. Our bankruptcies and bankrupt sales, being of greater number than any former year, and laborers more unemployed than ever, would seem to indicate, that we have not been producing more, but have been selling abroad cheap, and buying less from abroad, because of increased poverty among laborers. That is, we sold cheap abroad, because our own people were too much unemployed and poor to buy and use what were to them the necessities of life and of business. And our own factories, to a very large extent, are unable to be run at all, only because, having changed hands, the present owners got them almost for nothing, and are

able to get work-hands on the same scale of prices. What a triumph is this of governmental political economy? The real test of prosperity is, whether or not labor has been employed and well paid. And labor was never so much unemployed, and never so poorly paid in any one previous year as in 1876, showing a constant decline in our industrial and financial condition, despite of constant prediction to the contrary by our Government functionaries and their *Shylock* admirers.

And, furthermore, the withdrawal of the greenback money from circulation, as recommended by our Secretary of the Treasury and President Grant, also, will itself bring greatly increased prostration of labor and business, and turn the flow of specie away from us, provided we shall then have any to flow away.

When Mr. Chase was Secretary of the Treasury, in time of the war, and before the commencement of this eleven years of decline, he desired authority from Congress to receive deposits of money in the Treasury from our people, payable back on ten days' notice in our own lawful paper money, with interest at five per cent. This would have been on the like principle of interconvertible bond, now urged by the greenback advocates. Had the plan of Mr. Chase been carried out, it would have enabled our Government to obtain constant credit among our own business men to the amount of several hundred millions of dollars, much to the benefit of the men themselves, and the saving of gold bonds being issued to foreigners. But Congress was full of bankers, as it always is, and they wanted these private deposits to bank on themselves; for which reason the Secretary was permitted to receive only one hundred millions in this way, which was eagerly deposited.

One Secretary of the Treasury under President Grant's administration, by long-continued effort, funded five hundred millions of our national debt in gold bonds and sold them in the foreign market, when, had our people been provided with legal tender paper money, so as to have kept our labor

employed at home, after the French manner, we could have paid off the whole five hundred millions in less time than the Secretary was funding it. The policy seems to be to foster gold debts abroad and prostration of the industries at home; because this double fostering tends to increase our debts, public and private, and especially as we are going to base our currency all on specie, we must have these foreign debts to take the specie away from us in the shape of interest, then we will be without specie, without money basis, without money of course, and without price for anything; then will we be in good condition for our merciful British nobility benefactors, and their generous coadjutors on these shores, to take us, with this little heritage of ours, into their kind care and keeping, both for ownership and government, civil and military. Then we shall have nothing to do but to hew their wood, draw their water, cultivate their soil, and fight such battles as they see fit, for their own glory and amusement, to set in array for us.

The demonetizing of silver, as was done by act of Congress of February 12, 1873, is a part of this same scheme, taken in connection with issuing of foreign gold bonds, to get the country destitute of specie, and in that condition force specie payments, and thereby create a sweeping transfer of the people's property to a moneyed few, in the same manner as was done in England, and to establish the same condition of things here as there, to wit: a noble few to own the country and rule it, and a vassalage to perform the work. If this is the destiny intended for us by the founders of our Government, I have labored under a great mistake all my life.

NOTE.—In place of over-producing, we have imported, in the last ten years, over one thousand million dollars, (\$1,000,000,000) in excess of what we are able to pay by sales of exports, proving positively, that over-importation is one cause of our financial troubles, and under-production to be the real cause, instead of over-industry. These "balances" must have been paid by *sending our bonds abroad*, thus

alienating our national debt, and having to pay the interest abroad.

To reduce our imports two hundred millions annually is giving our laboring and producing classes annually two hundred million dollars of additional employments. This can easily be done by means of *proper tariff law*, without cost, and without borrowing.

A large increase of duties on foreign industries of our own kind, is no increase of taxes upon our own people, but the reverse, being an increase of wealth to them, as our Government requires only a certain amount of revenue for its support, which is as large under low as under protective duties. The difference and gain to our people is the increase of employment and gold, corresponding with the reduction made in the amount and gold cost of our imports.

The unparalleled prosperity of France, fresh from her disastrous war, can only be attributed to her wise protective policy, which results in having annually a balance of trade of over one hundred millions in her favor.

I favor a free list and low duties for all necessary productions imported, which we ourselves do not produce and sell.

A tariff for revenue, and not for the protection of American industries, would quickly cause our great Republic to be reduced to the level of European countries—for working-men, a country to migrate from to seek elsewhere work and a living.

There are two ways to renew specie payments. One is by contracting and destroying our present and only money and continue low duties, and leave all in poverty, so that eventually we cannot import for the want of funds, which would necessarily largely reduce imports and give us the balance of trade. The other way is a large increase of duties, which would cause a like large reduction of imports, and cause a large demand for American employments and productions at home, to supply the reduction made in imports.

Our Congress should make our paper currency as good as

gold, a legal tender for import duties, and at the same time largely increase the duties, to cover the loss in the difference of value in gold and currency, and to largely reduce imports below trade exports.

Whenever our nation's annual exports (exclusive of gold debt payments sent abroad) will not fully meet and pay all foreign demands, both for purchased imports, debt and interest annually due abroad, then we should increase duties to retrench and economize our nation's foreign extravagance in purchasing imports. Then our country could not be impoverished as now, either of its own employments or its own gold.

When either of the real producers of our country's wealth, manufacturers, miners, or farmers, are impoverished by foreign competition, then all are made to suffer; because each one's productions add to the one total production of our country.

There is only one quick way to possess an abundance of specie, and that is this way, which is a very old one—Do not spend so much specie with other nations for foreign productions. Manufacture and produce more for ourselves. This will give our people more specie and more employment and wealth. A high tariff alone will do this.

The protectionists of foreign industries in Congress are easily known. They are always in favor of taxing heavily American productions three hundred per cent., and would tax tea and coffee, which our poor people must have and should not be taxed; because it will not increase our employments, as duties on foreign industries would do.

Our American people cannot support all other nations' industries and our own besides, as low duties now cause us to do. A tariff law for American industries alone would dissolve this ruinous and unnatural division of our market, as was found necessary to do after the bankruptcies of 1837 and 1857, to our country's immediate relief from depression of business.

ADDRESS TO THE NEW YORK PRESS CLUB,
DECEMBER 12, 1878.

Mr. President and Gentlemen: It is now more than twenty years since I cut from a newspaper a statement, that made a deep impression on my mind.

The writer in a few words proclaimed a fact of unmeasured importance to our country and the world. He said that "knowledge, economy, and labor are the shining virtues of civilized man."

A man without knowledge is a helpless animal; and without science he is a straying wanderer.

Science, my friends, presents to the world a revelation of laws, designed in infinite wisdom for the use and elevation of mankind.

They are laws that have, as the poet says, "connected in this, our world, our greatest virtue with our greatest bliss;" and have made "our own bright prospect to be blest, our strongest motive to assist the rest."

Science, my friends, is the knowledge of laws *actually* demonstrated by the experience of mankind.

The knowledge and application of science, when rightly and wisely understood and applied to all the useful and necessary purposes of life, will enable man to unlock the deep mysteries of creation, and draw from its silent depths, "all that is good for food, and pleasant to the eye, and calculated to make us wise.

When we as a people become wise enough to make all laws in accord with scientific principles, they will then become so clear, plain and positive, that no man can long hold office and receive its emoluments, without a faithful performance of those duties required by the law.

The true object of all good Government must be forever

the promotion of human welfare. This will never be more grandly set forth and described than it now is in the preamble to the Constitution of these United States.

There we find, that the true object intended by the framers of the Constitution was clearly and fully expressed. They declared that "We, the people of these United States, in order to form a more *perfect union, establish justice*, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain this Constitution for the people of these United States."

They then and there declared that "the Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of these United States, or any department or officer thereof."

This Constitution holds every officer bound by his oath of office to perform his every act, as intending to establish justice and promote the general welfare.

Our Independent Party holds it to be a fact, that our Government is *now*, and *ever has been bound* by an act of justice to the American people to coin money and regulate the value thereof, and also "to regulate commerce with foreign nations and among the several States."

It was made the duty of Congress to receive in payment for all taxes, duties and debts, all the various forms of paper money, that have been issued for what was used and consumed in the prosecution of the war. The American people are coming to know, that every dollar, paid out by the Government in legal money for value received, has thereby become the people's money as effectually as it would be, if every dollar had been paid them in gold.

For a Government to withdraw from the trade of a country such a currency, which the people had paid for and owned as honestly as they owned their land or the clothes on their backs. It had become by its use the country's cur-

rency, that was giving its benefits without costing the people or the Government anything but the printing and the paper on which it was made. This much abused paper money had actually purchased and paid for all the labor and materials, that were consumed in our struggle for the nation's life. Such a currency should have been regarded by Congress, at the close of the war, as a treasure of more value than all the gold mines, that have ever been discovered in our country.

It was a currency, that had not only saved the nation's life, but it had demonstrated a principle of incalculable value to our country and the world.

It had proved, that Solon was right in saying, that a currency should be that, which is most valuable to the State, and of no value for any other purpose, exactly like our greenbacks.

Our currency had demonstrated the fact, that paper money with the stamp of the Government upon it, promising *to receive it in payment* for all forms of taxes, duties and debts, and interconvertible with the bond of the Government at a low, but equitable rate of interest, would be the most convenient currency, that the world had ever seen.

Such a currency should have been limited to the amount of the people's money actually found in circulation at the close of the war, as that was the price of the Nation's life. That amount of legal money, having been wrongfully taken from the people by allowing war taxes to continue, after the war had come to an end, should now be reissued and used in the purchase and the extinguishment of all the bonds, now due and held by the Government as a security for the money issued by the National Banks.

All banking would then be done with a National money, representing *the whole property of the American people*.

The amount of paper money, so found in circulation as a currency at the close of the war, should never be *increased or diminished, only as per capita* with the increase of the inhabitants of the country.

One National money would diminish the chance of loss

by counterfeit money in the proportion as *one* would bear to the whole number of *National Banks*. Instead, the National Banks present more than 2,000 sets of pictures to become acquainted with, we should then have but one National money, that all would soon learn to know at sight, and that such a currency would become an ever-strengthening bond of National union.

Such a currency, made as secure as the embodied wealth and power of a nation can make it, would give a stability and security to the operations of trade and commerce; and would more effectually secure the reward of labor to those, who earn it than any other form of currency ever before introduced.

The Constitution has declared that "the Congress shall have power to lay and collect taxes, duties, imposts, and excises, to provide for the common defense and the general welfare of these United States."

The power of Congress is ample to restore to the people their money, that had been wrongfully taken from them by war taxes; and then, this same money has been converted into a national debt. More than one thousand four hundred millions of dollars has been wrung from the toiling masses to pay the interest on a currency, that had belonged to the people—a currency President Grant declared was the best currency, that the country had ever possessed; and that there was no more in circulation than was needed for the darkest period of the year. The present Secretary of the Treasury has said, that the people's currency had been so long used "that every citizen of the United States had conformed his business to the legal tender clause, of the law regulating the currency of the country."

This same Secretary declared, that the man, who would refuse to receive the same kind of money, that he had paid out, would be a repudiator and extortioner. He also declared when a Senator, that to take from the people such a currency "would be an act of folly without an example in ancient and modern times."

PETER COOPER—HIS REPLY TO CASHIER WILLIAMS.

(From the Albany Evening Post, October 19, 1878.)

The reply of Peter Cooper to the errors, contained in Cashier C. P. Williams' communication, was published in last evening's journal. It is short and conclusive, and, in a few well turned paragraphs, entirely disposes of the crudities of the Cashier. Mr. Williams has an idea, that nothing but redeeming paper money in gold can ever make it as valuable as gold. Mr. Cooper thus disposes of this illogical conclusion :

"If England and France were to-morrow to demonetize gold and silver, and make their treasury notes the exclusive legal tender of their respective realms, they would immediately be at a premium over gold. Venice practically demonetized gold and silver in large transactions, her paper was accepted as legal tender, and was at a premium over gold for several centuries ; sometimes as much as thirty per cent. premium, so that a law was actually passed, prohibiting the charge of a higher premium than twenty per cent."

What says Cashier Williams to this? Mr. Cooper is opposed to resumption in January. We give his reasons :

"If we resume on January first next, it will be only on suffrance by the foreigner, who, unquestionably, has the ability, if he shall choose to exercise it, to drain every dollar of gold from the Treasury, which Mr. Sherman has collected to begin resumption."

Cashier Williams is opposed to the substitution of greenbacks for bank notes. Mr. Cooper is not. We quote Mr. Cooper :

"The substitution of greenbacks for National bank notes, will make a uniform currency of money. A greenback legal tender is to the full as much real money as a gold legal tender, the only difference being, that as many nations make gold a legal tender, there is more demand for it, than for paper legal tenders, which have the sovereign 'stamp of only one Government.

The substitution of greenbacks for National bank notes, would have the bounty now paid to banks, which, being invested as a sinking fund, would in less than thirty years pay off the whole debt of the country."

OPEN LETTER TO HON. JOHN SHERMAN, SECRETARY OF THE
TREASURY.

MY DEAR SIR: Since I had the honor of your call at my house, and since the letter I sent you and the receipt of your reply, I have reflected seriously on the few minutes' conversation I had with you on that occasion, and on the acts of Government since that time.

I hope you will recollect how earnestly I endeavored to show you, that the Constitution has made it the first and most important duty of Congress *to take and hold the entire control of all, that should ever have been allowed to circulate as the money, weights and measures of the nation.*

In all that I have written, I have labored to make plain the fact, that the establishment of justice, with the making of the necessary and proper laws, *were the most important duties enjoined on Congress by the Constitution of the United States.*

I believe I have shown, that nearly all the financial laws, that have been passed during and since our last war, have been passed under the advice and in the interest of a class of men, who have been allowed to control the moneyed interests of our own and other countries.

The worst of these laws were passed in direct opposition to your own earnest and eloquent declarations, made by you in 1869 in the Senate of the United States. You there and then warned the country in the most emphatic language, showing that a national policy, designed to contract the circulating medium, would cause gold to appreciate in value, as it has since done, so that gold will now purchase double the amount of real estate, that the same amount of gold would have purchased four years ago.

You were right, when you declared, "that every citizen of the United States had conformed his business to the legal tender clause of the law" for the regulation of the currency.

You were also right, in 1869, when you gave to Congress that most timely warning against any attempt to shrink and contract the volume of a legal money, which the Government had been compelled to issue, as the only means for the nation's salvation.

At that time you declared, in language never to be forgotten, that an act of Government, intended to contract the currency of the country, would paralyze all industries, as it has done. You made it plain, that the purchasing power of gold would increase in the same proportion. The contraction has actually shrunk the value of real estate to a condition, where it cannot be sold, or mortgages obtained on it for more than half the amount, that the same property would have brought four years ago.

Those cruel financial acts of the Government have cost the nation thousands of millions of dollars, and have brought wretchedness and ruin to the homes of millions of the American people, proving what you said in the Senate in 1869 to be true. You then declared, that such a policy "would be an act of folly without example in ancient or modern times."

I here quote from my last published appeal in behalf of those suffering millions, whose lawful money and property have been wrongfully taken from them by a course of legislation in direct violation of the first and most important requirement of the Constitution of our country. That Constitution, as I have said, covers in a few words the whole of the nation's wants.

It must never be forgotten, that there is no effect in nature without a cause equal to its production.

In view of this fact, I have found myself compelled, by an inextinguishable desire, to do all in my power to call and fix the attention of the American people on a cause, that has actually brought upon a great nation all those dire cala-

mities, so admirably foretold by you in your speech, made in the Senate, in 1869.

The American people have come to know, that our country has been subjected to a cruel national financial policy—a policy, which has (as I have said) converted the people's money, that was actually found circulating as a national currency at the close of the war, without cost to either the Government or the people, *into a National Debt*.

Your speech in the Senate was intended to show, that a nation's currency could not be contracted without bringing ruin on the debtors and on the laboring classes throughout our country.

We may well ask what will the people do, when they come to realize the fact, that their money has, not only been wrongfully taken from them as a circulating medium, but has been converted into a national debt, and that debt has been unjustly released from bearing any part of the burdens of the State or National taxation.

To show the ruin, *that the contraction policy* would bring on the country, you declared in the Senate "that every citizen of the United States had conformed his business to the legal tender clause of the law," regulating the currency of the country.

In my late appeal to all legislators and religious teachers, I have demonstrated a fact, which cannot be disproved, viz.: that all the legal money, paid out by the Government for labor and property during the war, was beyond all controversy, the people's money. *To establish justice*, this money *must* be given back to them in the purchase of all the outstanding interest-bearing bonds of the Government.

By this plan a partial justice can be established, and the general welfare of the nation *can be surely and effectually promoted*.

This plan will return to all the original holders of Government bonds, nearly double the amount in the same kind of legal money, that was originally paid for the bonds at the time they were first issued.

The holders of these bonds should not complain, after having been so kindly treated by a Government, that has altered the laws four times on their urgent solicitation, and on a most ridiculous pretence, namely, that such alterations in the laws were necessary to strengthen the credit of a nation, that had just conquered one of the greatest rebellions ever known.

All that is now, or ever has been needed to secure a continued prosperity, *was and is a national currency, made permanently receivable for all forms of taxes, duties and debts, public and private.*

It must be just such a money as Secretary Chase declared our greenbacks to be. He said a "greenback is simply the credit of the American people, put in the form of money for circulation among the people, whose whole property is represented in its use. When I was Secretary of the Treasury, the question arose how should the soldiers in field and the sailors in ships be fed. . . . I found, that the banks of the country had suspended specie payment. What was I to do? The banks wanted me to borrow their credit, or pay interest on their credit. They did not pay gold or propose to pay any themselves, but wanted me to buy their notes. I said: 'No, gentlemen! I will take the credit of the people and cut it up into little bits of paper.'" This is the true idea of the *greenback*. It is the credit and the property of the American people, made to serve the purposes of money. It was that money that saved the nation's life, when gold and silver had entirely failed to meet the wants of the Nation.

Our paper money did all this, notwithstanding a part of its purchasing power had been repudiated by an act of Government.

This money can be made an ever strengthening bond of national union, by making the people's money, as found, the permanent unfluctuating measure of all values, and *never to be increased only with the increase of the inhabitants of our country.*

Such a currency can be made as uniform in its purchasing power as the yard, the pound, or the bushel measure.

The Constitution of our country has also declared, that Congress *shall have power "to make all laws, which shall be necessary and proper* for carrying into execution the foregoing powers, vested by this Constitution in the Government of the United States, or any department of office thereof."

The Declaration of Independence expressly says, that it was to "secure these rights that Governments are instituted among men" *and that* "whenever any form of Government becomes destructive of these ends it is the right of the people to alter or abolish it, and to institute a new Government, laying its foundation on such principles, and organizing its power in such form, as to them shall seem most likely effectually to promote their safety and happiness."

And further, that Declaration states, that

"All experience has shown, that mankind are more disposed to suffer, while evils are sufferable, than they are to right themselves by abolishing the forms, to which they are accustomed. But, when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to provide new guards for their future security."

Such has been the patient sufferance of the American people; they have long borne with a course of financial laws, that were as cruel as they are unjust. By these laws there has been taken from the people the very money, which the Government had authorized and paid out in exchange for all the forms of labor and property, used and consumed by the Government in a four year's struggle for the national life.

This money was actually paid out to the people, as I have said, for "value received by the Government. It was clothed with all the legal attributes of money, and sanctioned as such by the Supreme Court of the United States. It had

become the people's money for all intents and purposes, as effectually as though it had all been paid to them in gold. The Government had lost all control over this money, so paid to the people, except to tax it as all other property, to meet the current expenses of the Government. This money had been used for years by the Government and the people, as a national currency, costing the Government nothing but the paper on which it was made; it had been allowed to circulate as legal money until, as you declared when a Senator, "that every citizen of the United States had conformed his business to the legal-tender law" regulating the currency of the country.

The people are compelled to remember the noble sentiments you expressed in 1869, when you gave to Congress and the country that most fearful warning against any attempt to shrink the volume of legal money, which the Government had been compelled to issue for the nation's salvation. You declared on that occasion, in language never to be forgotten:

"That the appreciation of the currency is a far more distressing operation than Senators supposed."

You then stated that,

"It is not possible to take this voyage without the sorest distress to every person, except a capitalist out of debt, or a salaried officer or annuitant. It is a period of loss, danger, lassitude of trade, fall of wages, suspension of enterprise, bankruptcy and disaster. To every railroad it is an addition of one-third to the burden of its debts, and more than that deduction to the value of its stock. . . . It means the ruin of all dealers, whose debts become twice their (business) capital, though one-third less than their actual property. It means the fall of all agricultural productions, without any great reduction of taxes. What prudent man would dare to build a house, a railroad, a factory, or a barn, with the certain fact before him, that the greenbacks he puts into his improvement, will in two years be worth thirty-five per cent. more than his improvement is worth. . . . When that day

comes, all enterprise will be suspended, every bank will have contracted its currency to the lowest limit, and the debtor will be compelled to meet in coin a debt contracted in currency; he will find the coin hoarded in the Treasury, no adequate representation of coin in circulation, his property shrunk, not only to the extent of the appreciation of the currency, but still more by the artificial scarcity, made by the holders of gold. . . . To attempt this task by a surprise on our people, by arresting them in the midst of their lawful business, and applying a new standard of value to their property, without any reduction to their debts, or giving them an opportunity to compound with their creditors, or to distribute their losses, *would be an act of folly* without an example of evil in modern times."

It would be literally impossible for you to have drawn a more perfect picture of the scenes of wretchedness and ruin, that *you so manfully opposed in the Senate*, in 1869, a policy, which you then declared "was an act of folly without an example in ancient or modern times."

It seems unaccountable, how you, with your views, as expressed, could have drawn the Resumption Act, and now use all the powers of your mighty mind to consummate a ruin that you so well described as an "act of folly without an example in ancient or modern times."

Those frightful evils you then predicted in the Senate, are now being painfully verified by the many thousands of failures, that are annually taking place as the result of the unjust and unconstitutional laws, that have been passed. Laws, promising to pay some four or five hundred millions in gold, which the Government did not possess and could not command.

The Constitution has never given to Congress any such unreasonable power. It has made it the duty of Congress to "coin the money and regulate the value thereof," without saying whether money should be coined out of gold, silver, copper, nickel, or paper.

That this *unconstitutional promise* to pay money in gold,

which they could not command, has been further made an occasion for Congress to listen to, and adopt, the advice of the men, who control the moneyed power of our own and other countries. These men have, by their arts, succeeded in obtaining from our Government a course of financial legislation to advance their own interests as a class. They have doubled the expenses of the war by their influence, in defeating a financial law in the Senate, that had passed the House of Representatives, after the most mature consideration.

The banks and the moneyed interests of our own and other countries have prevailed on our Government to so change the laws, as to make the bonds, that were at first made payable in national money to be paid in coin. They next got the law so altered, as to make coin mean gold. They then succeeded in getting the gold bonds relieved from being taxed for any part of the burdens of the State or National Government. It should be remembered, that all bonds were originally issued to be payable in currency. This currency our Government had deliberately depreciated by refusing to receive it for duties on imports, or interest on bonds.

And then our Government allowed war taxes to continue, until they had taken from the people the very money the Government had stamped and paid out, as so many dollars of real value, made legal money, to be used as a national currency to enable the people to exchange commodities, and furnish all the supplies, that were needed in a four years' struggle for the nation's life.

When that life was saved, the people had become the rightful owners of both their currency and their country.

Our Government had no constitutional right to invalidate contracts by lessening the volume of the national currency, after the same had been issued and allowed to circulate as legal money in the payment of debts for so many years.

Such money, having been paid out by the Government for "value received," cannot be lessened in volume, without invalidating contracts. *This our Government has done by*

having drawn from the people their money, which represents all forms of labor and property the people had given in exchange for the money they received.

Was it not a most absurd act of legislation to invite foreign capital, in the shape of gold, to take up our good money at forty and fifty cents on the dollar, and turn that money into a Government bond at par, payable, both principal and interest, in gold? Was ever a nation more deliberately and cruelly put under a heavy yoke of bondage by its rulers?

All these unjust acts must be rescinded. The people will not submit to them, when they come to know their true nature and purpose.

It must be manifest to all, that commerce cannot be regulated with foreign nations, and among the several States without a national system of money as a standard, over which Congress can exercise an entire control. This can never be done by the use of gold, while Congress allows local banks to expand and contract, appreciate and depreciate the money of the country *in their own interests as a class*.

Thomas Jefferson was right when he said that "BANK PAPER MUST BE SUPPRESSED, AND THE CIRCULATING MEDIUM MUST BE RESTORED TO THE NATION TO WHOM IT PROPERLY BELONGS." He wisely declared, that "it is the only fund, on which the Government can rely for loans; it is the only resource, which can never fail them, and it is an abundant one for every necessary purpose."

I find it impossible to frame an apology for a Congress, that could make an unconstitutional promise to pay hundreds of millions in gold, which they could not command, instead of promising to receive such money as the Government was compelled to issue as "the only resource, which can never fail them."

Money, so issued and accepted by the people, should have been considered, as it was, the most sacred treasure our country had ever possessed. It should have been held as more *especially precious*, after it had fed and clothed our

armies, and had carried our country safely through a most terrible war, proving to the world, that President Grant was right, when he declared, that the money, so issued by the Government, was the "best currency our country had ever possessed," and that "there was no more in circulation than was needed for the dullest period of the year."

If our Government had taken the advice of Franklin, Jefferson, Calhoun and Webster, in the enactment of financial laws, they would never have put our country in the power of the most dangerous community of banks, that obtained power in any country. They would also have saved to our country the one-half of the cost of the late war, and the disgrace of being compelled to sell our nation's bonds at some fifty or sixty per cent. below the face value of the bonds.

Senator Beck, of Kentucky, in the Senate of the United States, has drawn for the American people a most frightful picture of the course of special legislation, that has taken from the people, as I have before stated, the *people's money* and has converted the same into a national debt.

The following startling amounts have been wrung from the toiling masses of the American people, leaving the debt in the main as large as ever.

The Senator says, "*the bondholders had, up to 1869, received \$100,000,000 of profit before they got the principal of their bonds made payable in gold.*"

"It can be shown by the Treasurer's reports, from year to year, giving the amount of bonds sold each year, and the premium on gold from 1862 to 1869, that the purchase of the bonds with paper at its face value, and the purchase of the paper at the discounts, gave a profit to the bondholders as follows:

AN ACCOUNT OF THE BONDHOLDERS' CLEAR PROFIT,
 arising from no investments at all, may therefore be stated
 in the following tabular form :

1862.....	\$28,148,989
1863.....	94,555,713
1864.....	306,551,582
1865.....	140,159,367
1866.....	53,757,183
1867.....	167,915,741
1868.....	253,159,765
On account of 5 per cent. bonds....	98,297,864
Total.....	<u>\$1,012,536,204</u>

This most remarkable statement was, as Senator Beck declared, "carefully and truthfully prepared." The proof is in the official records. "It will satisfy the country," says the Senator, "and ought to satisfy the bondholders and their advocates, that they ought not to insult a suffering people, whose hard earnings have gone to enrich them, by any complaint of want of good faith to them, in the effort we are making to save the country from bankruptcy."

As the present Secretary of the Treasury you have before you all the facts, referred to in Spaulding's and other histories of the public debt.

On June 30, 1864, there were outstanding United States notes :

Greenbacks.....	\$431,178,670 84
Postal fractional currency.....	22,894,877 25
Interest-bearing legal tenders.....	168,571,377 25
Certificates of indebtedness.....	160,720,000 00
National Bank notes.....	25,825,695 00
Old State Bank circulation.....	135,000,000 00
	<u>\$944,190,620 34</u>

Amount brought forward.....	\$944,190,620	34
Seven-thirty Treasury Notes, temporary deposits, for which certificates were issued.....	72,356,150	00
	<hr/>	
	\$1,016,546,770	34

The record shows, that there were out- standing in October, 1865, \$830,000,000 of seven-thirty Treasury Notes, which, Assistant Spinner states, were engraved, stamped and paid out to the soldiers as legal tender money, at the close of the war.....	830,000,000	00
	<hr/>	
Making.....	\$1,846,546,770	34

This amount of legal money was paid out by the Government and accepted by the people as so many dollars of real value, and had thereby become the people's money, which, as I said before, President Grant said, "was the best currency, that our country had ever possessed."

And that "there was no more in circulation than was needed for the dulllest season of the year."

Our Government, in addition to all the other acts of class legislation, has taken from the American people their small currency, that was costing them nothing, and has put in its place, unsolicited by the people, a more inconvenient silver currency, thereby creating a debt of some forty millions of dollars to be paid by the already overtaxed people of our country.

With regard to the demonetization of silver, every intelligent man must see, that inasmuch as silver now forms more than one-half of the coin money of the world, that the effect of demonetizing silver must not only lessen the volume of the world's money, but must appreciate the value of gold in proportion as the value of silver has been reduced.

The plan for demonetizing silver is said to have been first

presented to the great bankers of Europe, assembled at the great Paris Exposition.

It required but little examination to show them, that the demonetization of silver would appreciate the value of gold, and *add hundreds of millions to their wealth*, if they could only persuade the American Government to join with them in the demonetization of silver.

These bankers appointed a committee to visit our Government for the accomplishment of their object, which, as the *Congressional Record* states: "The suggestion to the House Committee, made by the gentlemen from England in regard to the demonetization of silver, was incorporated into the House Bill and passed."

Nothing can be more important for us as a nation, than to ascertain and remove a cause, that is shrinking the value without shrinking debts in the same proportion. Our national policy, in trying to force specie payments on a debtor country, is now producing a similar condition of wretchedness to that, which was brought on England, by their attempt to force specie payments on that country, after a suspension of more than twenty years. During all that time their paper money had not only carried their country through their wars with Napoleon, during more than twenty years of suspension of specie payment, but that same paper money had secured to England the greatest national prosperity ever known in that country.

This policy, according to Sir Archibald Alison, brought on England a greater scene of widespread bankruptcy and ruin than all the wars, pestilences, and famines, which had ever afflicted that country. Notwithstanding the warnings of such an example, Mr. McCulloch, in his address, made at the banquet, given by the Chamber of Commerce in New York, spoke boastingly of his earnest efforts, both personally and in writing, with Members of Congress, in trying to persuade them to allow him to take out of circulation the people's money, which (in his address) he states: "had all the legal attributes of money."

He stated, that in the very year, in which the war closed, the reduction of the debt was commenced, and this reduction has been steadily continued, to the amazement of foreign nations. He adds:

"In none of the Treasury statements, which I have seen since the advent of the administration, has any mention been made of the reduction of the debt, previous to the present one. . . . A person, looking at one of these statements, would suppose, that the reduction of the debt was commenced with General Grant's administration while in fact the previous reduction had been reported of two hundred and fifty millions of dollars, according to the books and published statements of the Treasury, while a larger sum than this was paid to the War and Navy Department, which did not yet appear on the books of the Department."

Thus does Mr. McCulloch speak of having contracted and taken out of the currency of the country, during his administration, some five hundred millions of dollars, that had been paid out by the Government and received by the people as money; possessing, he declared, "*all the legal attributes of money.*"

Secretary McCulloch's great mistake consisted in his regarding the money, actually authorized and paid out by the Government for value received, as something to be got rid of as soon as possible.

Mr. McCulloch stated at the banquet, that the legal money, which was then serving the country so well, "gave him more anxiety than all the rest of the national debt." It seemed, that it cost him much writing and a great deal of personal effort to persuade Senators and Members of Congress to allow him to take from the American people, by a continuation of war taxes, the very money the people had received as dollars in payment for all the labor and property, that had been consumed in the prosecution of the war.

I do not wonder, that Mr. McCulloch found, that "*it re-*

quired the strongest kind of personal and written arguments 'to persuade Senators and Members of Congress to allow him to take from the people their money and convert the same into a national debt,' after the same money had been allowed to circulate, until (as I have said) it had bought and sold many times more in value, than the whole property of the nation."

If crime is to be measured by the misery it produces, the the act of taking from our people their money, and converting it into a national debt, must rank as one of the most unjust and cruel acts ever known to any civilized legislation. I do most heartily unite with Senator Jones, when he says :

"The present is the acceptable time to undo the unwitting and blundering work of 1873, and to render our legislation on the subject of money conformable to the Constitution of our country. . . . We cannot, we dare not, avoid speedy action on the subject. Not only does reason, justice and authority unite in urging us to retrace our steps, but the organic law commands us to do so ; and the presence of peril enjoins what the law commands."

The claims of common humanity, with all that can move the manhood of the American citizen, demand of our Government the return to the people of their currency. We must get back our currency. This can be done in a way, that will restore prosperity to the paralyzed industries of our suffering country, and establish justice in obedience to that first most imperious requirement of the Constitution. It will only require an act of Congress, declaring, that the people's money, actually found in circulation at the close of the war, *shall be returned*, as I have said, in the purchase of all the outstanding interest-bearing bonds of the Government.

Such a national policy will put the tools of trade again in the hands of the people, and will enable them to work out their salvation from the enslavement of an interest-bearing debt, created by taking their own money, wrongfully taken from them, and then by converting the same into national

interest-bearing bonds, that now hang like a millstone on the neck of the nation.

In the fervent desire of promoting the welfare of our common country, I subscribe myself,

Yours most respectfully,

PETER COOPER.

ADDRESS AT THE CONVENTION OF THE NATIONAL PARTY,
CONVENED IN BOSTON, 4TH OF JUNE, 1879.

FELLOW CITIZENS: We have met in Convention to consider one of the most important questions, that can engage the attention of the American people; it is the question — “What share shall the people have in the fiscal Government and the Moneyed Institutions of this Republic? It is not too much to say, that it is now not only the most important question, but the only question, next to that of the right of the people to universal and free education, which is left to be decided, in order to secure the final objects of the Constitution, which puts into the power of the people of this country all legislation and all authority. The objects are, as stated in the preamble of that Constitution — “To establish justice, insure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and posterity.”

These objects can never be obtained, while general ignorance and general poverty prevail.

It is not how rich the general resources of a country may be, or how wealthy, learned and intelligent certain classes are, that make the happiness and prosperity of the people; but it is the just diffusion of the wealth and advantage, which the common country, common industry, and the general powers of the people produce. Monopolies of all kinds must be at the expense of the people and the happiness of the whole nation. Let us then always turn to the spirit, as well as the letter of our Constitution, in discussing all public questions.

Nothing can be more self-evident than the fact, that the framers of the Constitution intended by its preamble, that every law which is passed, should be in conformity with its requirements, and have for its object the *establishment of justice as the only possible means, by which the general welfare of a nation can be effectually promoted.*

It will be remembered by all, who have read what I have written in relation to a National Currency, that I have uniformly contended, that the provision of the Constitution, which declares, that Congress shall have the power "To levy and collect taxes, duties, imposts and excises; to pay the debts and provide for the common defence and general welfare of the United States," is all that is needed to authorize Congress to issue Treasury Notes, and make them receivable for all forms of taxes, duties and debts. If such a course of national policy had been adopted (instead of a national money with a part of its purchasing power repudiated by an act of Government), it would have lessened the cost of the civil war to one-half the amount, and would have saved our country from the paralyzed condition, through which it has been compelled to pass.

I have uniformly endeavored to show, that our General Government holds the only power, authorized to coin the money of the country, and regulate the value thereof; whether it be coined out of gold, silver, copper, nickel, or paper, and that nothing can be legal money without the stamp of the Government on it.

In all that I have written on the subject, I have endeavored to adopt the broadest principles, that conduce to the peace and happiness of my country, without regard to party lines or party affiliations.

I think, that the neglect of our several administrations to make laws, that shall properly regulate the currency, both in volume and value, has been a greater cause of demoralization, want and misery among the mass of the people, than all other causes combined.

The American people have a right to demand of their

Government a substantial reason for having taken from them their money, used by them for years as the currency of the country without cost to the Government. Our present Secretary of the Treasury declared in the Senate that "every citizen of the United States had conformed his business to the clause of the law regulating the currency of the country."

I believe it will be impossible for our Government to show a good reason for having taken from the people their circulating notes, possessing (as the late Secretary McCulloch stated at the banquet, given by the New York Chamber of Commerce) "all the legal attributes of money." The Secretary at the same time said, that, "In the very year, in which the war was closed, the reduction of the debt was commenced, and the reduction has been steadily continued, to the amazement of foreign nations."

This debt, so called, was also "the credit of a great nation, cut up into small pieces and circulated as money;" as was well said by Secretary Chase. What shall we think of the administration of a Government, expressly designed, "by the people and for the people," that should turn their circulating credit and their real money, into a debt which stops that circulation, vital as it is to the trade and prosperity of this people, and makes it a burden of bonds and taxes on their industry?

It will be equally impossible to show a good reason for having taken from the people their fractional currency, which was costing the Government nothing, and supplying its place with a more inconvenient currency, at the cost of thirty-two millions of dollars, added to the National debt.

The amount, already paid by the people as interest on the National debt, apart from any payments on account of the principal, is already one thousand, two hundred and twenty-four millions of dollars.

I have long been compelled to believe, that all that is *now or ever has been required* to secure permanently, is a safe deposit for all the unoccupied moneys of the country, and an

ever strengthening bond of National union, as well as the best currency, that our country or the world ever saw, will be for the Government to do now, what should have been done at the close of the civil war,—and at the close of the war of Revolution against England—namely, to make the people's money, found in circulation at the close of the war the sole money of the country, and the unfluctuating measure of all values, receivable for all forms of taxes, duties and debts, and interconvertible with the interest-bearing bonds of the Government, which should bear an equitable but low rate of interest.

It should be remembered, that all this shrinkage of our currency was made, while the Government was being compelled to disband more than a million of soldiers, and turn some four millions of emancipated slaves houseless and homeless on the community to find employment, food and shelter, or to starve.

In conclusion, Fellow Citizens, I shall leave the full discussion of this National question to those, specially invited for that purpose. I wish merely to express to you my profound sympathy and clear convictions in the cause, for which we are assembled.

I hope, that the intelligence and education of Massachusetts, which stand foremost among the States, will be brought to bear on this great national question—How can we, as a Republican and a free people, control the Financial Institutions and the policy of this Government in the interest and prosperity of the whole people?

It is evident, that some fatal errors have been committed, some where, by which want, ruin and distress have been introduced, where before was prosperity, abundance and full employment for the enterprise and industry of this nation.

Individuals may suffer from extravagance, over-trading or over-production; but how can a whole nation have its joy and prosperity turned into mourning, but by the fatal errors of its ruling classes, which make the laws, and can thus mete out injustice and dry up the resources of a nation by

rapacity and greed of gain, instead of diffusing happiness, education and freedom among the people.

Misgovernment and the faults of the ruling class have always proved in history the trouble and sorrow of nations. All the responsibility of a nation's happiness, which may depend on a people's laws and administration, must rest upon those, who are, for the time, the law making and administrative class.

Though the influences, that are now working against the rights of labor and the true interests of a Republican Government, are insidious and concealed under plausible reasons, yet the danger to our free institutions, now, is no less than in the inception of the rebellion, that shook our Republic to its centre. It is only another oligarchy, another enslaving power, that is asserting itself against the interest of the whole people. There is fast forming in this country an aristocracy of wealth—the worst form of aristocracy, that can curse the prosperity of any country. For such an aristocracy *has no country*—"absenteeism," living abroad, while they draw their income from the country, is one of its common characteristics. Such an aristocracy is without soul and without patriotism. Let us save our country from this, its most potent, and, as I hope, its last enemy. I beseech you, fellow-citizens, to consider well what the crisis of the country demands of you, not losing sight of the fact, that there are great wrongs which must be righted in the administration of the finances of this country for the last twelve years. Old issues of North and South are, in a great measure, passing away, but there is no section of our common country, that needs so much the reviving influence of an abundant and a sound currency, as the South. The Southern people have the finest natural resources, that our country affords; every facility for manufacture—the material, labor and water-power indefinite. They need only money, wisely distributed among its working and enterprising population, for their work and their enterprise, which may draw out the money, and put it to the best use. It was well said, lately,

by one of the Southern statesmen, that the "*Government had impoverished, discomfited, and crushed the South more by its financial policy, since peace was declared, than by its arms during the whole war of Rebellion!*"

If the people can look for no relief from the present Congress and Administration—if those, who now sway the financial interests of the country cannot see their great opportunity—then *new men* must be chosen by the people, whom they can trust to make laws, and execute measures, that "shall secure the blessings of liberty to themselves and their posterity."

I will close my remarks by a quotation from a speech of Daniel Webster. He declared that "*The producing cause of all prosperity is labor, labor, labor. The Government was made to protect this industry, and to give it both encouragement and security. To this very end, with this precise object in view, power was given to Congress over the currency and over the money of the country.*"

LETTER TO HIS EXCELLENCY R. B. HAYES.

HONORED SIR: Allow me to assure you, that nothing short of a most profound anxiety for the nation's welfare could induce me, in this eighty-ninth year of my age, to make another effort to call and fix your attention on the unmeasured importance of the facts, that my former letters were intended to press on your immediate consideration.

Your effort to secure for our country a "civil service," as a means to obtain honesty and capacity in all places of public trust, is a matter of vital importance to all the best interests of our common country.

You will recollect how ardently I expressed to you my thanks in my first letter, for the wise and patriotic course you had then adopted in the discharge of the delicate and difficult duties, that you were called upon to perform. The interest you had then manifested in the nation's welfare, had

sent a thrill of hope and joy into the hearts of suffering millions throughout the whole country. They were then looking to you with an anxious hope, that you would *most urgently* declare and insist, that all officers, in every department of Government, are bound by the solemnity of their oath of office to have for their object, in every legislative act, the establishment of justice, by the organization and the execution of Constitutional laws, as that is the only sure means, by which domestic tranquility can be secured, and the nation's welfare be surely and effectually promoted.

Instead of having legislation to establish justice, it now appears by the laws passed, that nearly the whole course of financial legislation, since the close of the Rebellion, has been so manifestly cruel and unjust, that it seems impossible to frame an apology for those, who have taken an active part in framing and passing laws so directly in violation of the very *letter* and *spirit* of a Constitution, that has in the fewest possible words covered the whole field of a nation's wants. The Preamble declares "That we, the people, in order to establish justice, secure domestic tranquility, provide for the common defence, **PROMOTE THE GENERAL WELFARE**, and secure the blessings of liberty for ourselves and our posterity, do ordain this Constitution for the people of these United States."

To show the danger, that must result to the American people by continuing to allow our present system of National Banks, authorized as they are, to issue paper "promises to pay" gold and silver on demand, when they should have always been compelled to bank on national fiat money, made receivable on a par with gold and silver at its present value, weight and fineness, let us refer to the founders of our Constitution, etc.

I am at a loss to see how it could have been possible to obtain such a course of financial laws as those, that have been passed, commencing, as they did, by paying out paper money to circulate as legal dollars, and then, by an act of

Congress, took from the people's legal money its power to pay duties on imports or interest on bonds.

The bankers and dealers in gold were not satisfied with the privilege of buying bonds, made payable in currency at half their face value, with the right to deposit said bond with the Government, who agrees to receive (said bond) and pay interest on the same at its *face value*, and give bankers \$90,000 and interest on \$100,000, in good money, guaranteed by the Government, to enable them to carry on National Banks.

The bankers were not satisfied with receiving interest on the value of their bonds in currency. They obtained an invalidating law, that made the bonds, that were originally issued to be paid in currency, made payable in coin. Another act made the coin to mean gold, and another act relieved the gold bond from bearing *any part* of the public burden of taxation by either State or Nation.

Not satisfied still, the Government has taken from the people their small currency, that was costing them nothing, and has given in exchange a less convenient currency, that has now bound the people to pay interest on some fifty millions of dollars, at four per cent. quarterly, for thirty years.

The money powers of our own and other countries persuaded our Government to demonetize silver, when it was known to be a large product of our own country, and, at the time, some three per cent. more valuable than gold.

The most cruel of the laws, that have been passed, was the one that took from the people their money, made legal by all the forms of law, known to our Government.

That money had been allowed to circulate as legal dollars in the pay of the soldier, the sailor, the farmer, mechanic and merchant, in exchange for all forms of labor and property, purchased by the Government, and consumed in the prosecution of the war. That money had become the life-blood of the trade and commerce of the country.

When the war ended, the exact amount, found in circu-

lation, was known, and that amount should have been declared the permanent unfluctuating measure of all values for all coming time, and never allowed to be increased or diminished, only as *per capita* with the increase or diminution of the inhabitants of our country.

It was the *nation's currency*, such as France issued and received for all taxes, duties and debts throughout its desperate struggle for that nation's life. The French Government, instead of taking from their people the paper money, as soon as the German war was ended; instead of contracting their currency as our Government has done, the French Government added some 250 millions more to their paper circulation, and in addition to that great increase of their paper money, their Government authorized temporary loans to be made on goods by all principal cities of France. This wise and just policy saved France from the terrible consequence of a panic like that, which was brought on our own country by an unjust and unwise contraction of our nation's currency—a policy, that brought wretchedness and ruin to the homes of millions.

That truly wise and just policy of France has carried that country to a pinnacle of greatness among the nations of the Earth; while the policy of *our* Government is rapidly producing a money power fearful to contemplate.

Thomas Jefferson declared a most important truth, that should never be forgotten. He says that "the power to issue Treasury Notes bearing or *not* bearing interest, is a fund that can never fail."

It was unfortunate for our country, that the advice of Thomas Jefferson could not have been taken, when he said, "bank paper must be suppressed, and the circulating medium must be restored to the people *to whom it belongs*." He wisely declared, "that it is the only fund, on which Government can rely for loans. It is the only resource, which can never fail them, *and* it is an abundant one for every necessary purpose." Had the advice of Jefferson, Franklin, Calhoun and Webster been taken, the cost of our late war would

have been not more than *half* the amount, that was expended, and our country would have been saved from the disgrace of selling its bonds for forty or fifty cents on the dollar.

When I was last in Washington, in conversation with Mr. Evarts, I said to him, that "I believed the time had come, when this great American question of national finance *must be settled*, and that *it must be settled in the interest of the great mass of the American people, and not in the interest of the moneyed classes, as it is now.*"

I am glad to find that those, who are striving to drive our country back into the "barbarism" of a metallic basis for currency, are fast giving way for want of argument. It is being discovered, that all the great writers, who have analyzed the subject, and have viewed it from a scientific standpoint, come to the conclusion, that paper money is *superior* to metal for a currency. Even Ricardo, the bullionist, allows *this*. He says, that a "regulated paper currency is so great an improvement in commerce, that I would greatly regret, if prejudice should induce us to return to a system of less utility."

The following *resumé*, found in a late paper, expresses my opinions on the whole subject of our national finances:

"THE TRUE FINANCIAL SYSTEM.

"1st. The Government should issue all the currency, that is used by the people, whether it be gold, silver or paper, and it should all be made a legal tender for ALL debts, public and private.

2d. The coinage of both gold and silver should be unlimited, and the Government should coin all the gold and silver bullion it can procure, and coin without loss.

3d. All surplus currency, now in the Treasury, should be used to cancel bonds, and thus stop interest on the same.

4th. Government paper should be substituted for national bank notes.

5th. The Government should secure to the people the same volume of money, with which to pay their debts, that was in circulation, *when those debts were contracted.*

Government postal savings banks should be established in all our large cities and villages, where the surplus money of the people can be deposited: and the money, thus deposited, should be used by the Government to cancel the public debt and to promote such public improvements, as would be of value to the whole people."

All these invalidating financial laws were passed in direct opposition to the warning advice, given by your present Secretary, Sherman, when in the Senate, 1869. He then described, in language never to be forgotten, the scenes of misery and ruin, that would come upon our country, as a *consequence* of taking away from the people the legal money they had received in payment for all the labor and property they had passed into the possession of the Government, in exchange for the legal dollars they had received. Secretary Sherman was right, when in the Senate, 1869, he declared that "every citizen in the United States had conformed his business to the legal tender clause of the law, regulating the currency of the country." He declared that, "the appreciation of the currency is a far more distressing operation than Senators supposed." He then stated:

"It is not possible to take this voyage without the sorest distress to every person, except a capitalist out of debt, or a salaried officer or annuitant. It is a period of loss, danger, lassitude of trade, fall of wages, suspension of enterprise, bankruptcy and disaster. To every railroad it is an addition of one-third to the burden of its debts, and more than that deduction to the value of its stock. * * * It means the ruin of all dealers, whose debts become twice their (business) capital, though one-third less than their actual property. It means the fall of all agricultural productions, without any great reduction of taxes. What prudent man would dare to build a house, a railroad, a factory, or a barn with the certain fact before him, that the greenbacks he

puts into his improvement, will in two years be worth thirty-five per cent. more than his improvement is worth. * * * When that day comes all enterprise will be suspended, every bank will have contracted its currency to the lowest limit, and the debtor will be compelled to meet in a coin debt, contracted in currency; he will find the coin hoarded in the Treasury, no adequate representation of coin in circulation, his property shrunk, not only to the extent of the appreciation of the currency, but still more by the artificial scarcity made by the holders of gold. * * * To attempt this task by a surprise on our people, by arresting them in the midst of their lawful business, and applying a new standard of value to their property, without any reduction of their debts, or giving them an opportunity to compound with their creditors, or to distribute their losses, *would be an act of folly* without an example of evil in modern times."

Secretary Sherman's whole speech in the Senate was intended to show, that a nation's currency could not be contracted without bringing *ruin on the debtors* and on the *laboring classes* throughout our country.

In my late appeal to all legislators and religious teachers, I have demonstrated a fact, that cannot be disproved, viz., that all the legal money, paid out by the Government for labor and property during the war, was, beyond all controversy, the PEOPLE'S MONEY. The money, having been wrongfully taken from the people, must in order *to establish justice*, be given back to them in the purchase of all the outstanding interest-bearing bonds of the Government, in exact accordance with the law, under which they were issued.

By this plan a partial justice can be established, and the general welfare of the nation *can be surely and effectually promoted*.

This plan will return to all the original holders of Government bonds nearly double the amount in the same kind of legal money, that was paid for the bonds at the time they were first issued.

The nearest possible approach, that can be made to the establishment of justice in the regulation of the currency, would be to pay off the national debt, in strict accordance with the requirements of the law, under which it was contracted, by an issue of legal tender money, which would stop the interest of so much debt and have *one form of money* for ALL PURPOSES throughout our country. The advantages of paying off the national debt in legal money, would be many and great. It would throw back the money, wrongfully taken, into the hands of the people, who own it, and make them responsible for the use of their own money, in all the forms of trade and commerce in the country. This money, so paid back to the people, would start all kinds of enterprise. Nothing is more certain than the *fact*, that we can never have continuous prosperity in the trade and commerce of our country, so long as we allow ourselves to depend on a paper circulation, PROMISING TO PAY SILVER AND GOLD ON DEMAND. All the bank failures of the past compel me to believe, that the banks of the future will be like those of the past—they will be compelled to fail, whenever an unexpected foreign demand is made on them for the silver and gold in their possession.

APPENDIX.

A most frightful picture of the course of special legislation, that has taken from the people, as I have before stated, the *people's money*, and has converted the same into a national debt.

The following startling amounts have been wrung from the toiling masses of the American people, leaving the debt in the main as large as ever.

Senator Beck says :

“The bondholders had up to 1869, received \$100,000,000 of profit, before they got the principal of their bonds payable in gold.

It can be shown by the Treasurer's report, from year to

year, giving the amount of bonds, sold each year, and the premium of gold from 1862 to 1869, that the purchase of the bonds with paper at its face value, and the purchase of the paper at the discounts, gave a profit to the bondholders as follows:

An Account of the Bondholders' Clear Profits,

arising from an investment may therefore be stated in the following tabular form:

1862	.	.	.	.	.	.	\$28,138,989
1863	.	.	.	.	.	.	94,555,713
1864	.	.	.	.	.	.	306,551,582
1865	.	.	.	.	.	.	110,158,367
1866	.	.	.	.	.	.	53,757,183
1867	.	.	.	.	.	.	167,915,741
1868	.	.	.	.	.	.	253,150,765
On account of 5 per cent. bonds	.	.	.	.	.	.	98,297,864
Total,							\$1,012,536,204

This most remarkable statement was, as Senator Beck declared, "carefully and truthfully prepared. The proof is in the official records. It will satisfy the country, and ought to satisfy the bondholders and their advocates."

The policy of contracting England's currency after a suspension of specie payments for more than twenty years actually, according to sir Archibald Alison, brought on England a greater scene of widespread bankruptcy and ruin, than all the wars, pestilences and famines that had ever afflicted the country. Notwithstanding the warnings of such an example, Mr. McCulloch, in his address, made at the banquet, given by the Chamber of Commerce in New York, spoke boastingly of his earnest efforts, both personally and in writing, with Members of Congress, in trying to persuade them to allow him to take out of circulation the people's money, which (in his address) he states: "had all the legal attributes of money."

My age and experience, have compelled me to believe,

that mankind, as individuals, communities, states and nations, will improve and better their condition, just so far as they come to see, know and understand, that what a man, an individual, a community, a state, or a nation, "soweth, that must they also reap," somewhere, somehow, *and at some time*, and *that* by the operation of a reign of universal and beneficent laws, designed in infinite wisdom for the use and elevation of mankind. They are laws that in themselves are so wise and good, that they will never require to be altered, amended, or revoked. They are laws, that bind every member of the Government to act with the same intelligent economy and care, that a wise and good individual would adopt, if the whole community were, every one, members of his own family.

I am in fervent hope, that the day will come, when men will realize what the poet says :

* * "A nature rational, implies the power
Of being as blest or wretched, as we please ;
And he that would be barred capacity of pain
Courts incapacity of bliss,
Heaven *wills* our happiness, *allows* our doom,
Invites us ardently, but not compels."

PETER COOPER.

LETTER TO SENATOR BECK.

MY DEAR SIR: I see that Sherman is making a desperate effort in the Senate, to force a vote on his 3 per cent. funding bill at as early a day as possible.

The people of this country, who have given some attention to the financial question, are watching with deep interest the discussion, that is taking place in reference to this bill. This bill cannot be regarded in any other light by intelligent minds, than an effort on the part of those, who advocate it, to fasten a portion of the public debt upon the people, so that it cannot easily be paid, and to perpetuate the existence of the National Banks.

Senators, who support this bill, will not, as I believe, in the future, be supported by the people.

I sincerely hope, that you will make one of your ablest speeches in opposition to this bill, and in favor of abolishing bank currency, as fast as the charters of these banks expire. This whole system of issuing money and making it a gratuity to rich bankers, is one of the most infamous frauds, ever perpetrated upon the people.

Now, can any plausible reason be given, why the Government of the United States should issue \$362,000,000 of notes, and endow such notes with the function of money, and practically make them a free gift to rich bankers, while the masses of the people have to work for every dollar of this money, that comes into their possession?

Why, Sir, if this volume of currency was issued in the form of legal tender notes, the working classes of this country would supply for it the labor and material, requisite to build two lines of double-track railroad from the Atlantic to the Pacific coast, and fully equip those roads, and in addition thereto, construct fifty first-class ocean steamers, by which the question of cheap transportation, both at home and abroad, could forever be settled in the interests of the people.

Railroads, built in this way, would be owned by the people, and through them they could interchange their products, without having more than half of them consumed in paying large dividends on watered stocks, and higher interest on preferred stocks in fact, without paying interest on any stocks or bonds whatever. Why not introduce a bill, that shall make provision for retiring bank currency as the bank charters expire, and to substitute for the notes of the expiring banks, Treasury notes made legal tender, and at the option of the Government redeemable in coin, or in a three per cent. interconvertible bond, and put the Treasury notes thus issued in circulation by providing cheap transportation routes for the people, as I have here indicated?

Why should the people, who create the wealth of the na-

tion, be compelled to contribute the largest share of that wealth to the owners of the money, and the owners of the transportation lines, the medium through which the products of the people's labor are interchanged?

Why should Messrs. Gould, Vanderbilt, Sage, Miller, Huntington, Crooker, other railroad managers, and a few hundred bankers in New York be permitted to accumulate their hundreds of millions of dollars, by simply controlling the money and transportation, that should belong to the whole people?

Is it not because we have men of John Sherman's stamp in the United States Senate and in Congress, who are legislating in the interest of these parties?

Is it not about time, that such men should step aside and the true Representatives of the people's interest, should step to the front and pass measures for the benefit of the people, and not solely for that of rich bankers and railroad magnates?

If this 3 per cent, funding bill of John Sherman should pass, the bonds it provides for issuing would command a premium in one year of four or five per cent., which would be two or three times the amount of interest saved over the $3\frac{1}{2}$ per cent.

Besides this with our surplus revenues, it would only require about $3\frac{1}{2}$ years to pay off every one of the $3\frac{1}{2}$ per cent. bonds.

This cry of Mr. Sherman of "saving interest" is just a pretense on his part; the real object of the bill is to perpetuate the public debt, and by that means to continue to issue bank currency. The whole system of issuing currency by banks, whether they are private, State or National, is one that will bring panics, wide-spread bankruptcy and financial ruin.

It is a perpetual scheme for inflation and contraction, for sending the prices of property up and sending them down; for permitting people to get in debt on bank paper and forcing them to pay those debts in coin for selling property,

when it is high, and buying it on foreclosure, when it is low. .

About every ten years the business men of this country are forced through bankruptcy, and their property is absorbed by bankers and money lenders through the process.

I send you, herewith, some documents, which contain tables, taken from the finance report, which will show you how inflation and contraction was carried on under the old State bank system; and also show what a system of legalized fraud the present system of National Banks would become, if the legal tenders were destroyed and the tax on bank circulation removed.

I also send you a copy of my letter to Secretary Folger, reviewing his last report.

I trust you will examine these documents carefully, and that your voice will be heard with great clearness on this subject, before a vote is taken on this bill of Mr. Sherman.

Congress should at once prohibit any further refunding of the public debt, and should pay the debt as fast as possible. It should also prohibit any further re-charter of the National Banks, or the issue of any more bank currency of any kind. It should provide also for the unlimited coinage of gold and silver, for the issue of gold and silver certificates, and for legal tender notes, to take the place of the notes of the National Banks, as fast as their charters expire. In addition to this it should provide cheaper transportation and Post Office Savings Banks for the people.

This will secure the best interests of those, who create the wealth of the nation by labor, and not solely of those, who absorb that wealth through class legislation and special privileges.

One reason why Mr. Sherman is pushing this 3 per cent. bill is, that \$243,000,000 of the bonds now, held by the Treasury to secure bank currency, are $3\frac{1}{2}$ per cents. and by paying these off as rapidly as is now being done, the banks are compelled to surrender their circulation, or pay a high

premium for $4\frac{1}{2}$ per cent. bonds to be held as their legal reserve, and as security for these notes.

The questions of currency and the payment of the public debt are of vast importance to the American people. The future stability and prosperity of our Government depend greatly upon a wise settlement of these momentous interests.

The American people will never allow these subjects to rest quietly, until they are safely moored to those sure foundation principles of eternal truth and justice, on which our Fathers placed the Constitution of the United States. The Constitution was designed to establish a Government of the people for the people, and make it a shield of protection for the unsuspecting masses of the people against those, who are resorting to all forms of art to obtain property without labor. The framers of the Constitution would never have recommended one kind of money for the Government, another for the people, and another for the banks.

In settling these questions of debt and currency we should be governed by the opinions of such a staunch champion of Democracy as Thomas Jefferson.

That great statesman and philosopher, Benjamin Franklin.

That life-long Democrat and statesman, John C. Calhoun.

Herbert Spencer, who is regarded as one of the first writers and ablest thinkers of his age, says:

"England herself does not in reality base her currency on specie, nor could she without bringing all business to a dead stop in a very short time. She just mixes enough of this specie basis fiction in her finances to continually or periodically divest the laboring classes of their earnings for the benefit of the nobility. But for the real basis of value to her currency, she makes the notes of the Bank of England, as well as her coins, a full legal tender for the payment of debts, but not the notes of the other banks. From this we see, that even in England specie basis is a mere fiction, a false pretence."

I see, that suggestions are being made by the officers of the Government, and bills are being introduced, which aim to destroy the legal tenders or remove their legal tender quality. This could not be done, except with the greatest hazard.

Our Government, having been literally compelled to issue and use a legal tender paper money, in order to save the nation's life, has, by its use, caused the whole property of the country to be measured by its purchasing power. By this use of paper money the Government has created a most solemn obligation on its part to do no act to increase or diminish the amount of paper money beyond the absolute necessities of the Government. As an increase of the amount would inflate prices without increasing real values, in the same proportion a diminution of currency must cause all property to shrink in price, and thereby put it out of the power of the people to pay their debts.

One thing is certain, that the public and private debts can never be paid by a governmental policy, that shrinks the currency, destroys values, paralyzes industry, enforces idleness, and brings wretchedness and ruin to the homes of millions of the American people.

It is equally true, that Americans can never buy anything cheap from foreign countries, that must be bought at the expense of leaving our own good raw materials unused, and our own labor unemployed. It should be remembered, that neither gold, silver, copper, nickel, nor paper are money, without the stamp of the Government upon it. The Constitution has made it the duty of Congress to coin the money of our country, regulate the value thereof and fix a standard of weights and measures, as the only possible means, by which commerce can be regulated between foreign nations and among the several States.

The people look to you and your associates to protect their interests, and I trust you will pardon me for thus impressing upon you the importance of legislating upon the questions here referred to, in such a way as to provide for the

prosperity of the masses, and not solely for the benefit of a few, who have secured special charters and privileges for their own benefit.

Very respectfully yours,

PETER COOPER.

OPEN LETTER TO THE CITIZENS AND VOTERS OF MAINE.

HAVING been requested by citizens of your State, to address a few words of counsel and appeal, on the present condition of this nation, involved in the political issues, that are now before your people as a State, I take this means to do so, in the hope, that it may have some effect in inducing them to listen, for once, to other than their party leaders, to reflect on their condition for themselves, and to take the counsel of an old man, in his eighty-eighth year, who has no other ambition or object in life, than the good of his country and the happiness and prosperity of the whole people.

The commercial ruin of so large a part of the business and productive power of our country, and the consequent distress of the honest laboring portion of our people is the overwhelming fact, which we all acknowledge and deplore.

The causes of this distressful state of things, given by one party, is the extravagance of the people, over-production, over-importations and the unwillingness of the working people to *work for low wages*.

It has never been proved yet, how these causes could produce this wide-spread distress in our country, in the presence of the facts: First, that *extravagance*, from its very nature, must be confined to a few, who can afford it; and that over-production and over-importation can only be the consequence of inability to pay for consumption; for no amount of production and importation could distress the people, if they could pay for and consume all. How came about this inability to pay?

Now, we of the National Party maintain, that a different cause is the source of the distress and misery of our people.

IT IS MISGOVERNMENT. It is precisely that form of misgovernment, which has always brought distress and oppression on any people—*legislating for a class*, and putting the property, the interest and the power for good or evil that exists in public law, entirely into the control of a particular class, as distinguished from the rest of the people.

But what particular *policy* of the Government and what *acts* of legislation can be cited as “*misgovernment*,” and as having brought all this distress upon us?

It is the policy of legislating, for the last twelve years, in the *interest of the bondholders of this nation's debt*, and the several “funding Acts of Congress,” that have carried out that policy.

I cannot go into a detail of those “Acts.” Let any one examine them, and he will see but one purpose in them all; it was *to degrade the value and shrink the volume of the people's legal tender, raise the value, and keep up the monopoly of gold and silver*, and especially of gold—as a class money.

This is the whole secret; and as a consequence, our legal tender, till very lately, was kept below par to specie, by denying it the power of a full legal tender; and the process of funding has been going on, until all the Government money, introduced into the circulation and business of the country, and to which “the whole business of the country was conformed,” was shrunk from a volume exceeding 2,000 millions to the present volume of greenbacks, about 350 millions.

Remember, every dollar of the funded debt now in existence, was at one time, in the shape of “legal tender”—not greenbacks, only four hundred and twenty millions were greenbacks—but *legal tender*, and designed, made for, and introduced into the circulation of this country in payment of labor and property, received and used by the Govern-

ment; and the whole business of the country, as John Sherman said, from his seat in the Senate, "*was conformed to the legal tender act.*"

It is this policy and legislation, that has brought ruin upon the business and laboring portion of our community.

If these are *facts*—and they are undoubted facts of public record—they are ample to account for the present state of affairs.

Hence, it is the design of the National Party, as Senator Jones says, "to undo the unwitting and blundering work of 1873, and to render our legislation on the subject of money conformable to the Constitution of our country.

We cannot, we dare not avoid speedy action on the subject. Not only does reason, justice, and authority unite in urging us to retrace our steps, but the organic law commands us to do so; and the presence of peril enjoins what the law commands."

The American people have come to know, that our country has been subjected to a cruel financial policy—a policy, that has (as I have said) converted the people's money, which was actually found circulating as a national currency, at the close of the war, and which should have been permitted to remain, in some form as *legal tender*, into a National debt, paying interest in gold.

Knowing this, we mean to undo this policy, rescind those "Acts of funding" and pay the National debt; we mean to do this according to the provisions of law, with *justice* towards the bondholders, and with *justice* towards the people of this country—we mean to do this, at the earliest opportunity, consistent with all just and legal engagements to the bondholders.

I do not mean to accuse our political opponents on this great national question, either of insincerity, want of patriotism, or any determination to distress the people, to gratify their own ambition or lust of gain; though I cannot except all, from this class; but I do think both our rulers and the people *need more light on this subject.*

My long life has made me know, that sincerity is not always the evidence of correct principles.

I have learned, that even so great and so good a man as St. Paul—even he *once*—verily believed, that he was doing God service by hauling men, women and children to prison and to death.

The number of deaths, occasioned by the mistaken zeal of St. Paul were insignificant, when compared with the thousands, that have died and are dying of starvation in this country, and the many, who have taken their own lives to get relief from their present suffering condition.

In conclusion, this policy of funding the people's money, under the notion, that it is a mere debt to capitalists, so as to deprive the people of the use of their money, after having conformed their business to its use, must be reversed. It is the "*credit of a great country cut up into small pieces,*" as Secretary Chase termed it, "*and circulated as money.*"

The people prefer this form of their credit; "redeeming" it constantly, as it passes from hand to hand, as money or legal tender; and made receivable or "redeemable" for all taxes and dues to the Government. We can keep this money on a par with coin, by simply giving it the same function as coin—a *perfect legal tender*; and keeping the nation out of debt to foreigners, and *especially* to BOND-HOLDERS, paid in gold.

This may not please a certain class, who hold the chief control of the coin of the world; and who desire the highest interest for money, made from the sacrifices and toil of the million; but it is for the interest of the working masses, who will then have the chance to receive the wages, due to their labor.

It is the last and most fervent hope of my old age, that these truths will be recognized by the people, in time to save themselves from the ruin and distress, which has already fallen on so many; and finally introduce the only policy in the financial affairs of this people, that can secure the permanent prosperity of the country.

This policy may be thus briefly expressed : First, let all that passes as money in this country be the legal tender of the United States, and receivable equally with coin, for all the taxes and dues of Government—not subject to be funded ; and let it be limited in volume to the present funded debt of the United States. This sum, by a constitutional provision, shall not be increased, except by a fixed regulation, keeping it, *per capita*, according to the increase of the population, in time of peace ; and in time of war, changed only by a vote of two-thirds of the States, as other provisions of the Constitution require.

GOOD GOVERNMENT.—APPEAL TO ALL LEGISLATORS, EDITORS,
RELIGIOUS TEACHERS, AND LOVERS OF OUR COUNTRY.

The experience of a long life has compelled me to believe, that the Constitution has made it the imperative duty of Congress to take and hold the entire control of all, that should ever have been allowed or used as money for the nation's trade and commerce. All articles are measured and weighed in reference to the amount of money, that would be a just equivalent in all the varied exchanges, where one form of labor and property is given for others.

The failure on the part of the general Government to obey the first mandate of a Constitution, that vests the power of coining money and regulating the value thereof in the United States, without directing whether it should be coined from gold, silver, copper, nickel, or paper.

The regulation of the value of money can only be accomplished by a law of Congress, that will declare the exact amount, which may be legally collected for the use of, or interest on, money.

According to Spaulding's "Financial History of the War" (p. 201), the public debt of the United States stood on the books of the Treasury, October 1, 1865, at a total of \$2,803,549,437. According to the same author, who is a strong advocate for specie payments (page 10, Introduction),

out of this debt, in 1864, "the inflating paper issues, outstanding, were over, \$1,100,000,000,"— and gold reached its highest quotation, 2.85.

Now, be it remembered, that although a few money-changers, speculators and importers were willing to give \$2.85 of paper for one dollar in gold, yet the people were using this paper to buy flour and exchange their commodities at prices, that were far less than this inflated price of gold.

Gold was no longer the standard of exchange, except in foreign commodities, where "balances" had to be paid in gold. The internal trade, commerce, and industries of the country were steadily increasing, and never before so flourishing as during the time of this famine for gold. In an evil hour it became the policy of this Government to reduce all our paper currency to the standard and par value of gold. This was attempted by the withdrawal of the paper currency as fast as practicable, and by absorbing the same, by an arbitrary law, into a debt for so much gold as the face of the paper, in the shape of gold bonds, bearing the yearly interest of six per cent. in gold! In the course of less than eight years this change was effected, and the people's money and currency of all kinds were reduced subsequently from \$2,192,395,527, as represented on the Treasurer's book on September 1, 1865, to the sum of \$631,488,676, on the 1st of November, 1873, making a reduction of the currency in eight years of \$1,561,906,851! (See *Congressional Record*, March 31, 1874, speech of John M. Bright, of Tennessee.) This brought on the panic of 1873 and all our present financial troubles. Although a part of this vast sum was a kind of currency, that drew interest, and, therefore, partook also of the nature of an investment, yet as Mr. Maynard, Chairman of the Committee on Banking and Currency, said, from his seat in Congress, on occasion of Mr. Bright's speech, "those issues were engraved and prepared in a form to circulate as money, and, as a matter of fact, did so circulate," until either they were funded or "the interest accumulated so as to make them superior to the ordinary class of currency."

But this stupendous decrease in the people's money—the very tools of their trades and enterprises of every description, the use of which they had fairly earned by the blood and sacrifices of a great war, and the beneficial effects of which were proved by the great activity in business and trade, which it engendered as long as it lasted—this great reduction in the money of the people was made by methods equally unjust, as they were disastrous to the prosperity of the country.

This paper currency was absorbed by interest-bearing gold bonds, bought by the paper, which in its turn had been purchased by gold at 40, 50, and 60 per cent. discount; thus turning the debt of the country to one of twice its value in paper, and paying for the gold bonds at half their value in paper. This was done at a time, when this paper currency was doing the nation all the good, that so much gold could do for our domestic prosperity and trade. The people were building up the country with a rapidity unexampled before, with this paper, which, if it had been fully honored by the Government that issued it, and received for all imports, duties and debts, and allowed to be exchanged at par for bonds at an equitable rate of interest, would not have permitted any premium of gold.

A HAPPY INCIDENT FOR AMERICA.

In 1879, a fortunate incident for America happened: the crops failed all over Europe, which forced the people to look to the United States for supplies. This brought millions of gold, that seemed like a special Providence; for without it our unwise specie resumption would have brought ruin all over the country; because our real estate and other commodities would have been at the mercy of foreign and domestic gold-mongers, in whose favor Congress has been legislating since 1862.

Now (1880) Europe has average crops, and we cannot expect the millions of gold we had last year. Let us hope the specie resumption will prosper without European gold,

that relieved the pressure, in 1879. Such an unfortunate incident for Europe, and fortunate for America, it is to be desired, will not soon occur. What then will prevent gold speculation, pressure and ruin? Congress should at the earliest opportunity create a currency, based on the property of the nation, reserving gold merely for foreign exchanges, so that speculators could not interfere with it. The people are now used to, and prefer a national paper currency from a ten cent, to a one hundred dollar, bill; there is no reason why they should not have it; being their only salvation from knavishly contrived periodic gold panics by holders of gold in our own and foreign countries.

As a further evidence of the danger, that must result to the American people by our present system of National Banks, authorized as they are to issue paper money, "promising" to pay gold and silver on demand, it should be remembered, that no *ten years* have passed in the history of our country without a failure of our banks to pay coin. This danger was made to appear in all its frightful proportions by the testimony of Mr. S. B. Chittenden, Member of Congress from Brooklyn, given before a Congressional Committee in 1874, appointed to inquire into the National Banking System.

S. B. CHITTENDEN'S TESTIMONY CONCERNING THE NATIONAL
BANKS.

"I believe that, of 1,000 National Banks, there are not two-thirds in number sound to-day—I mean, two-thirds in number. In the vast proportion of them the capital is *very small*.

I know, for instance, how one National Bank was established, and I presume there were *hundreds* established in the same way.

I say I know a National Bank of \$100,000 capital (so represented), where a broker in New York purchased \$100,000 in Government bonds and paid for them.

The owners or organizers of the bank furnished the *mar-*

gin between the ninety per cent. in currency, which they were allowed to draw on deposit bonds, and the *cost* of the bonds, and that margin was *all the capital that was ever put into the bank*. [And that \$100,000 didn't go to the bank—it went to pay for the bonds.]

The broker sent the bonds to Washington to get his \$90,000, or ninety per cent. on the dollar in national bank notes, already having the *margin* from the gentleman, who established the bank, while he reimbursed himself with the \$90,000 in national bank notes drawn on the bonds.

The bank was one of the first to suspend in the crisis of 1873, but *resumed* again shortly, and is going on as before. It has a *banking house which cost over thirty thousand dollars*."

There you have the facts in a nut-shell; and Mr. Chittenden never having manifested the first symptoms of Greenbackism, but being a well-known bitter opponent of the "people's money," his testimony should be accepted as conclusive.

It will be noticed particularly, that there was "*not a dollar* in the bank" of which Mr. Chittenden testifies—and that "in a vast proportion of the banks the capital is *very small*."

It would be safe to "strike an average," and place the bank capital at ten per cent. "cash," and ninety per cent. "confidence."

The testimony of Mr. Chittenden will show, that our present system of National Banks is a moneyed power, that is more able to inflict on the American people the greatest possible amount of suffering, like that which is now passing the real estate of our country, rapidly out of the hands of the many into the possession of the few.

SENATOR JONES ON HASTY LEGISLATION.

I do heartily agree with Senator Jones, when he says that "the present is the acceptable time to undo the unwitting

and blundering work of 1873 ; and to render our legislation, on the subject of money, consistent with the facts, concerning the stock and supply of the precious metals throughout the world, and conformable to the Constitution of our country."

I sincerely hope, that the concluding advice of Senator Jones will make a living and lasting impression, when he says, speaking to the Senate, "We cannot, we dare not, avoid speedy action on the subject. Not only does reason, justice, and authority unite in urging us to retrace our steps, but the organic law commands us to do so ; and the presence of peril enjoins what the law commands."

The Senator states a most important fact, and one that all know to be true, "that by interfering with the standards of the country, Congress has led the country away from the realms of prosperity, and thrust it beyond the bounds of safety." He says, truly, "to refuse to replace it upon its former vantage ground would be to incur a responsibility and a deserved reproach, greater than that, which men have ever before felt themselves able to bear."

Why the Senator's patriotic advice was not taken, those who listened to, and neglected it, best know.

SIR A. ALISON ON OUR PAPER CURRENCY.

It is worth while to observe, that Sir A. Alison, who speaks so wisely on this subject in reference to the history of his own country, while scanning a few years ago the prosperity of our country during the war of the Rebellion and immediately after, has a foreboding of what might happen, and remarks :

"The American Government may make financial and legislative mistakes, which may check the progress of the nation and counteract the advantages, which paper money has already bestowed upon them ; they may adopt the unwise and unjust system, which England adopted at the close of the French war ; they may resolve to pay in gold, and

with low prices, the debt contracted with paper, and with high prices. But whatever they may do," he adds, "nothing can shake the evidence, which the experience of that nation during the last six years affords of the power of paper money to promote a nation's welfare."

Conversation at my house with Hon. S. B. Chittenden, Chairman of Committee on Currency:

Mr. Chittenden said, that he came expressly to get me to join with him in a suit before the Supreme Court of the United States, to get a decision against the legality of the greenbacks. He occupied nearly half an hour in presenting his side of the case, to which I had given close attention. Soon after I had commenced to show the impolicy and the impropriety of such a course, he became impatient and wanted to go. I requested him to hear me as patiently as I had listened to him. Mr. Chittenden said his mind was made up; he was going to the Supreme Court to get a decision.

I urged him to give me twenty minutes, as I felt very sure, that I could convince him and show, that there is nothing to go to the Supreme Court for.

He then said: "I will acknowledge, that you have sown the seed, which has sprouted and taken root, and the people will have the greenbacks sooner or later, unless a decision of the Supreme Court can be obtained, pronouncing them illegal."

PETER COOPER.

HORACE GREELEY'S PLAN.

"Let Congress make our greenbacks fundable at the pleasure of the holder, in bonds of \$100, \$1,000 and \$10,000, drawing interest at the rate of one cent a day on each \$100 (or \$3.65 per annum), and exchangeable into greenbacks at the pleasure of the holder.

"Now authorize the Treasurer to purchase and extinguish our outstanding bonds, so fast as it is supplied with the means of so doing by receipts for customs or otherwise, and to issue new greenbacks whenever large amounts shall be

required, every one being fundable in sums of \$100, \$1,000, \$10,000, as aforesaid, at the pleasure of the holder, in bonds drawing an annual interest of \$3.65 in coin per annum, and these bonds exchangeable into greenbacks whenever a holder shall desire it.

Our greenbacks which are now virtual falsehoods, would be truths. The Government would pay them on demand in bonds as aforesaid, which is in substantial accordance with the plan, on which the greenbacks were first authorized."

WENDELL PHILLIPS.

"No observer can fail to see, in the measures, which the banks forced the Treasury to submit to, or deluded it into adopting two distinct intentions. During the war, every effort was made and every trick used to artificially and unnecessarily depress the national credits, so that capitalists could buy its bonds at the very lowest price. As soon as the war stopped, every expedient was resorted to by capitalists to artificially and unnaturally raise its credit and increase the burden of the debt, which they had bought at less than fifty cents on the dollar.

For instance, the original treasury note was receivable for duties and imports, and could be exchanged for a 5.20 bond. The money changers forced the Government to repeal these two provisions, making the greenback not receivable for duties or the bond. The capitalists then forced the Government to create two methods of payment, one to its common creditors, contractors, soldiers, laborers, etc., in greenbacks; a second to bondholders, whose interest was to be paid in coin. These changes probably cost the nation a thousand million dollars, and put the amounts into the pockets of bondholders *during the war*.

After the war, or just at its close, the bonds were relieved of taxation, and in 1869, made payable in coin. It is far *within the truth* to say that these two measures unjustly and unnecessarily increased the burden of the people's debt by

another \$1,000,000,000. Then, in 1865, began the policy of contraction; and in 1873, silver was demonetized—two measures, which have cost the nation at least double what the war cost, probably \$10,000,000,000, by the bankruptcy they have created.

This, briefly, is the history of the Republican party's financial management during the last eighteen years," etc.

The pretensions of those, who are attempting to drive this country back to the barbarism of a metallic basis for our currency, are fast giving away for want of argument. It is being discovered, that all the great writers, who have analyzed the subject and viewed it from a scientific standpoint, came to the conclusion, that paper is superior to metal for a currency, etc. . . .

* That a system of bills of credit, made a general legal tender, is practicable, is proved by the fact, that the French Government has made and maintained a legal tender paper circulation through one of the fiercest and, to them, the most disastrous wars of modern times; and, having paid a thousand millions of indemnity, their paper money is to-day nearly on a par with gold. This is because the Government took its own paper for all dues, instead of discrediting it, by not taking it, as ours does. They take their paper also for French Government bonds, which has resulted in the public debt being mainly due to their own citizens, instead of foreigners, as ours is to-day, thus becoming a perpetual tax on the resources of the country.

EXPANSION *versus* CONTRACTION.

The following statistics from the London *Economist* demonstrate the fact, that the expansion of French Government legal tenders has kept pace with the accumulation of specie, and materially develops the home industries of that country:

"Of legal tenders in April, 1869, the circulation was 214

* From my address to the Union League Club, published in the *New York Tribune*, March 9, 1877.

million dollars, and in April, 1876, 494 millions, being an increase in seven years of 280 millions, or 130 per cent.

Of specie and bullion in December, 1869, the stock was 247 million dollars, and in November, 1876, 432 millions, or an increase in seven years of 185 millions, or 75 per cent."

In 1792, the kings, by divine right, thought they must league against France and restore a king by divine right; but they learned a lesson, that taught them to let France manage her own internal affairs, in 1876.

JOHN EARL WILLIAMS ON THE DUTY OF CONGRESS:

To the above we append the following suggestions from John Earl Williams, President of the Metropolitan Bank of this city:

"I would suggest: That Congress assume, at once, the inherent sovereign prerogative of a Government 'of the people, by the people and for the people,' and exercise it by furnishing all the inhabitants of the United States with a uniform national currency! Surely the people, and the people only, have a natural right to all the advantages, emolument, or income, that may inure from the issue of either \$1,000 bonds with interest, or \$10 notes without, based on the faith and credit of the nation.

This principle, simple, clear and undeniable ought to be recognized as fundamental, and the only safe and proper basis, on which may securely rest all the circulating medium of the country, for the sole benefit of all the people, and not, as now, for the profit of a class of stockholders, however deserving they may be in all other respects.

To carry into effect this principle—to substitute United States notes for bank-notes—take away, as soon as practicable, and for ever, all circulation from banks.

They would do a strictly legitimate business as banks of discount and deposit; knowing that whatever leads to the prosperity of the whole people must be beneficial to the banks; but leaving the right where it belongs, to the United

States Government, to supply the whole circulating medium of the country.

In this connection we must remember, that banks are the creatures of law. The laws, which created them may, by virtue of rights reserved, be amended, altered or repealed.

To those, who are disposed to complain of the change as a hardship, one is tempted to ask, what natural right a dozen stockholders have to receive notes from Government to circulate, that any other dozen men do not possess?"

As this gentleman was an eminent banker, his opinion must have weight. One thing is certain, that the national debt can never be paid by a Governmental policy, that shrinks the currency, destroys values, paralyzes industry, enforces idleness and brings wretchedness and ruin to the homes of millions of the American people. It is equally true, that Americans can never buy anything cheap from foreign countries, that must be bought at the expense of leaving our own good raw materials unused, and our own labor unemployed. It should be remembered, that neither gold, silver, copper, nickel or paper are money without the stamp of the Government upon it. The Constitution has made it the duty of Congress to coin the money of our country, regulate the value thereof and fix a standard of weights and measures, as the only possible means, by which commerce can be regulated between foreign nations and among the several States.

Seventeen years ago, I held it to be unsafe for the public welfare, as I now do, to allow banks to incur liabilities, payable in specie, on demand, by issues of paper and loans many times the amount of the specie they held in their vaults, or could obtain from any source, for the immediate payment of their notes in gold, on demand. This demand was made with all the accompanying disasters of widespread ruin and interruption of credit and industry, in times called "panics." The effect of the panic of 1857, and the causes are very clearly detailed in Mr. Caldwell's work on "Ways and Means of Payment;" p. 485, etc. . . .

It is of the greatest importance, that all the paper money, allowed by the Government, should be made as unyielding in its power to pay debts as the yard-stick or the pound weight.

Our Government, having been literally compelled to issue and use a legal-tender paper money, in order to save the nation's life, has, by its use, caused the whole property of the country to be measured by its purchasing power. By this use of paper money the Government has created a most solemn obligation on its part to do no act to increase or diminish the amount of paper money beyond the absolute necessities of the Government. As an increase of the amount would inflate prices, without increasing real values, in the same proportion a diminution of currency must cause all property to shrink in price, and thereby put it out of the power of the people to pay the national debt.

I do not believe in the good policy of selling Government bonds, as a means of resuming specie payments, as it will soon be drained from us again, leaving our paper as it was before, irredeemable in gold; nor in the purchase of silver to take the place of the best small currency our country has ever possessed. It was a currency, that served the country without interest; and gave back to the whole people whatever was *lost or worn out* in the public service. But let the currency at all times be interconvertible with *interest-bearing bonds*, and let the Government, not only make its money a legal tender, but receive it for all dues, and we shall hear no more either of "inflation" or of "depreciation." This is my doctrine "in a nut-shell." I believe with Jefferson, and many of our wisest statesmen, that our general Government is as much bound by the Constitution to hold the entire control of all, that is allowed as a legal money measure, in the regulation of trade and commerce, as they are bound to fix a standard for the pound weight or the bushel measure; and that this measure of value should be made as unfailing and unalterable as possible.

WEBSTER tells us:

“ When all our paper money is made payable in specie on demand, it will prove the most certain means, that can be used to fertilize the rich man’s field by the sweat of the poor man’s brow.”

It will do this by ensuring the periodical return of those scenes of panic, pressure, general bankruptcy and ruin, that have so often changed the values of all property and labor, some twenty-five or fifty per cent. in a single year, whenever it was for the interest of foreign creditors or merchants at home to withdraw a few extra millions from our banks, as they did in '57, when a withdrawal of only seven millions produced the panic of that year, which sunk the values of all the property of our country to the amount of thousands of millions of dollars. These millions were taken from the farmers, mechanics and merchants, who were in debt, and put in the possession of those, who had the means to buy at the ruinous rates, at which property of all kinds was compelled to be sold, thus making, as it ever must, the rich richer, and the poor poorer.

There can be no security for any man, that is in debt, until our general Government shall perform its most important duty, which is not only to establish a just system of money, but a system of legal tender paper, in amount equal to the amount put in circulation at the end of the war by the necessities of the Government; for labor and property had been given for every dollar, allowed to circulate as money.

Such a legal tender paper would be a bond and mortgage on the whole property of the country, and a bond of union among the States, and would leave gold and silver to be an article of commerce in the hands of those who hold it.

Free trade is beautiful in theory, and will be in practice, where all things are equal and peaceful in the relations of nations, and rapid transit shall go far to annihilate space.

Our Government, having allowed and used paper money, until the day’s labor has been made to cost at least one-third more than a similar day’s labor would cost in other countries,

to bring about an equality in trade, will require a tariff, based on the difference in the cost, that will purchase a day's labor in our country, as compared with that of foreign countries.

If the farmers desire to secure for themselves a reliable market and the highest price for their product, they must use the means best calculated to effect that object—they must encourage the manufacture of the articles they consume and have them made as near their homes as possible. This should be done wherever good raw materials can be found, that can be put into forms of usefulness with as small expense of labor in this country as in any part of the world.

If I am not mistaken our country will rise out of its great embarrassment in a way, that would astonish the world, if our Government would perform what was and is its first and most important duty.

'The Constitution made it the duty of Congress to adopt measures, that will "establish justice;" that is the only means by which the "common welfare can be promoted."

To establish justice for a nation, there must be created and maintained a just and uniform system of money, weights, and measures.

GEORGE W. DEAN tells us :

"Our Government can only hold its power as a free system by avoiding in future all special, partial, or class legislation, and by the enactment of only such general laws as are necessary and indispensable to establish justice. Justice can only be established 'and the general welfare promoted' by the Government holding entire control over all that is allowed or intended to measure or weigh the different forms and values of labor in its course of exchange from one person to another.

The unparalleled prosperity of France, fresh from her disastrous war, can only be attributed to her wise protective policy, which results in having annually a balance of trade of over one hundred millions in her favor.

I favor a free list and low duties for all necessary productions imported, which we ourselves do not produce and sell.

A tariff for revenue, and not for the protection of American industries, would quickly cause our great Republic to be reduced to the level of European countries—for workingmen, a country to migrate from, to seek elsewhere work and a living.

Our American people cannot support all other nation's industries and our own beside, as low duties now cause us to do. A tariff law for American industries alone would dissolve this ruinous and unnatural division of our market, as was found necessary to do after the bankruptcies of 1837 and 1857, to our country's immediate relief from depression of business."

Entreaties and petitions remained unanswered, while thousands of industrious men and women were suffering for the want of the people's money, removed from circulation by special and class legislation. Yet see how one of our leading papers speaks of the ample currency given to the nation in 1865 :

"The necessities of the war, the law of self-preservation, the providing for the common defense, and the general welfare, gave us a currency, August 31, 1865, according to the report of the Secretary of the Treasury, as quoted by the *New York Times* in 1873, of \$1,552,914,892.67.

Consisting of—

United States notes, greenbacks, and fractional currency	\$459,505,311	51
National and State bank notes.....	250,189,478	00
Legal-tender certificates of indebtedness, 6 per cent.....	85,095,000	00
Legal-tender temporary loan	107,148,713	00
Legal-tender 6 per cent.	33,954,230	00
Legal-tender 3.65 per cent.....	217,024,160	16
Total.....	\$1,152,914,892	67

—legal tender money for the most part, and all in circulation as money throughout the country.

To this circulation also properly belong the 7.30 interest notes (\$830,000,000) which, under the acts of June 30, 1864, and March 3, 1865, were currency according to Mr. Spinner in his letter to John G. Drew, which read as follows:

“MOHAWK, August 24, 1876.

DEAR SIR: Your letter of the 15th instant is received. I have to say that the 7.30 Treasury notes were intended, prepared, issued and used as currency.

Very respectfully yours.

F. E. SPINNER.”

Here the New York *Times* congratulates the country on acquiring a national currency, while the Secretary of the Treasury urges its contraction, as shown by what follows:

Mr. Secretary McCulloch, in his annual report to Congress in 1865, in which he was urging upon Congress the adoption of the contraction scheme, says: “The people are comparatively free from debt.”

This he gives as a reason why it is safe to enter upon contraction—that contraction, which has ruined and pauperized one-half of our people. Who can portray the experience and suffering of the American people since that fatal hour? Hoping, that the people may arouse and take the Government once more into their own hands, and that our civilization may be made better through our great suffering, I will not trespass further upon the time of the House. (This is part of a remonstrance, uttered in the House by one of its members against contraction.)

All the invalidating financial laws were passed in direct opposition to the warning advice, given by your present Secretary Sherman, when in the Senate, 1869. He then described, in language never to be forgotten, the scenes of misery and ruin, that would come upon our country as a *consequence* of taking away from the people the legal money

they had received in payment for all the labor and property they had passed into the possession of the Government, in exchange for the legal dollars they had received. Secretary Sherman was right, when in the Senate, 1869, he declared, that "every citizen in the United States had conformed his business to the legal tender clause of the law, regulating the currency of the country." He said that "the appreciation of the currency is a far more distressing operation than Senators supposed."

I am glad to find that those, who are striving to drive our country back into the "barbarism" of a metallic basis for currency, are fast giving way for want of argument. It is being discovered, that all the great writers, who have analyzed the subject, and have viewed it from a scientific standpoint, came to the conclusion, that paper money is *superior* to metal for a currency.

It would seem as though a President with his Cabinet and Congress, with such advice and facts of past experience before them, might have avoided a repetition of similar distress and ruin to their country, in 1873. If the resumption act was due to ignorance or carelessness, it should be reprehensible; and, if due to anything else it should be punished as treason, being unconstitutional, etc. . . .

Extracts from two letters to his Excellency, President Hayes, June 1, 1877, and August 6, 1877:

Your noble course has, thus far, inspired the people with the hope and trust that you will, in the providence of God, be our country's Moses, to lead the people from a threatened bondage, that now hangs over the liberties and happiness of the American people.

This bondage has its manifold centre and its secret force in more than two thousand banks, that are scattered throughout the country. All these banks are organized expressly to loan out their own money and the money of all those, who will entrust them with deposits. These loans are made to men, whose business lives will soon become dependent on money, borrowed from corporations, that have a special

interest of their own. Such a power of wealth, under the control of the selfish instincts of mankind, will always be able to control the action of our Government, unless that Government is directed by strict principles of justice and of the public welfare. The banks will favor a course of special and partial legislation, in order to increase their power—"for even the good want power;" they will never cease to ask for more, as long as there is more, that can be wrung from the toiling masses of the American people.

Such a power should never be allowed to go out from the entire and complete control of the people's Government. The struggle with this money-power, intrenched in the special privileges of banks, has been going on from the beginning of the history of this country. It has engaged the attention of our wisest and most patriotic statesmen. Franklin, Jefferson, Webster, Calhoun, Jackson, have all spoken of the danger of such a power, and the necessity of guarding against it.

In the opinion of Thomas Jefferson the Constitution has made this subject clear, plain and positive. He says: "Bank paper *must be suppressed, and the circulation must be restored* to the nation, to whom it belongs."

The present Secretary of the Treasury, Hon. John Sherman, speaking in the Senate, when the subject of regulating the currency was under consideration, declared it to be a fact, that "every citizen of the United States had conformed his business to the legal tender clause." That Senator further declared, as appears by the *Congressional Record*, that "if the bondholder refuses to take the same kind of money, with which he bought the bonds, he is an extortioner and a repudiator. . . . There is no such burdensome loan negotiated by any civilized nation in the world as our five-twenty bonds, if they are to be paid in gold." And yet these very six per cent. bonds, that were issued under a law, that made them payable in the currency of the country, have, by a *most cruel and unaccountable* change in the law, been made payable in gold—the very bonds, which had been sold

at from forty to sixty dollars in gold for one hundred in currency, thereby causing a debt, that now hangs like a millstone on the neck of the nation.

I find myself compelled to agree with Senator Jones, when he says, that "the present is the acceptable time to undo the unwitting and blundering work of 1873. . . . We cannot, we dare not, avoid speedy action on the subject. Not only does reason, justice and authority unite in urging us to retrace our steps, but the organic law commands us to do so, and the presence of *peril enjoins what the law commands.*"

I have ventured this long letter in the firm belief, that the adoption of a permanent, unfluctuating national currency, as before stated, equal to the amount actually found in circulation at the close of the war, and *that amount shall never be increased*, only as *per capita* with the increase of the inhabitants of our country—such a measure of all internal values, with a revenue tariff of specific duties to be obtained from the smallest number of articles, that will give the amount needed for an economical Government—such a national policy would introduce prosperity once more into the trade, commerce and finances of this country, etc.

Real estate has depreciated to less than half of what it would have brought four years ago; much of it cannot be sold for any price, or mortgage for one-quarter its value. The thriving and enterprising farmer of the West, especially, feels this rise in the value of money, as compared with labor or property. With the hardy toil of years, he has opened and improved his farm, and the comparative small loan, which laid but a light weight on the resources of his land in prosperous times, and with a sufficiency of money, is now threatening to swallow up the labor of his life! Even the banks and the loaning institutions, not being able to invest their money on "good securities," are embarrassed on both sides—the failure of their debtors, which throws so many of the securities on their hands, and makes "bonds and mortgages" a "glut in the market," and the difficulty of making any new loans or

investments—so that money “goes a begging” at one and a half and two per cent., etc. . . .

In the year 1865 there was in the hands of the people as a currency \$58 per head; in 1875 the currency of all kinds was only a little more than \$17 per head.

You may call this currency a vast debt of the people, as it was in *money—every dollar of it*. It was paid by the Government “for value received;” it was used by the people to pay their debts, to measure the value of their property, and, as your present Secretary of the Treasury said in his seat in the Senate, “*every citizen of the United States had conformed his business to the legal tender clause.*”

This currency was also the creature of law, and under the entire control of the Government, but held in trust for the benefit of the people, as are all its functions. Was it either just or humane to allow \$1,100,000,000 of this currency, a large part bearing no interest but paying labor, and fructifying every business enterprise to be absorbed into bonds in the space of eight years, bearing a heavy interest, of which the bondholder bore no share? (See Spaulding’s “History of the Currency.” The Government seemed to administer this vast currency, as if there were but one interest in the nation to be promoted, and that the profit of those, who desired to fund their money with the *greatest security*, and to make money scarce and of high rate of interest! *This is the issue of the hour; this is the battle of the people and for the people, in which the present administration is called upon to declare which side it will take, etc.* . . .

If the people can look for no relief from the present Congress and Administration—if those, who now sway the financial interests of the country, cannot see their great opportunity—then *new men* must be chosen by the people, whom they can trust to make laws and execute measures, that “shall secure the blessings of liberty to themselves and their posterity.”

I appeal from those, who seem insensible to the cry of the people, to the people themselves. I appeal from the politi-

cal parties, organized to control the Government, and distribute the offices and emoluments of office to the great industrial classes, who are organized to protect their interests and obtain some recognition of their rights from the Government. Let them substitute co-operation for "strikes," and unite to save themselves and the country from the present disaster and distress to all the industrial classes. Let no man think of the bullet, while he has the ballot in his hand. It needs but the use of that simple instrument of political power to rectify all our discontents and social evils, for Webster tells us: "Power was given to Congress over the currency and over the money of the country."

Let us have our national currency daily honored; let us take the testimony of the nation's experience, and that of other countries, as to what such currency can do for our prosperity; let the gold par be reached by rendering our currency of higher and indispensable uses, as now exemplified in France, and not by contracting its amount; and let its volume and its value be determined by the *interconvertible* bond, placed at the disposal of the wants of the people and governed by all the forms and sanctities of law; and not surrender the currency to the ever-changing basis of a commodity like gold—and we shall have peace on this question. "Justice will be established and the general welfare promoted;" prosperity again will re-visit us, and we shall vindicate the wisdom and superiority of our free institutions before the world.

France, with her 600,000,000 of legal paper, has kept her industries profitably employed by keeping her paper receivable for all forms of *taxes, duties, and debts*.

My views upon the currency I have heretofore briefly expressed as follows:

The worth or exchangeable value of gold is as uncertain as other products of human labor, such as wheat or cotton. The exchangeable value of anything depends on its *convertibility into something else*, that has value *at the option of the individual*. This rule applies to paper money as to any-

thing else. But how shall Government give an exchangeable value to a paper currency? Can it be done by a standard, which is beyond its control and which naturally fluctuates, while the sign of exchange, indicated by the paper, remains the same? etc.

The time has come, when the claims of a common humanity, and all that can move the manhood of an American citizen, must unite in a demand for an act of common justice, now due to the American people, who have saved our country from ruin, and will, I trust, forever protect it. The Constitution has made it the first and most important duty of Congress "*to establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.*"

In all I have written and quoted from writings of others, my object has been to impress on the minds of the American people the unmeasured importance of a strict compliance with the letter and spirit of a Constitution, that requires the establishment of justice, based on a *national currency as unfluctuating as possible*, which alone can guarantee to this great and glorious country a Republican form of government, with the blessings of liberty secured to ourselves and our posterity.

To complete this appeal to my countrymen, I add the following system of finance, devised by the veteran financier, Silas M. Stilwell, author of the beneficent "Stilwell Act," and father of our "Greenbacks," wrongly attributed to Secretary Chase.*

"THE CAUSE AND CURE OF NATIONAL AND INDIVIDUAL
DISTRESS IN THE UNITED STATES.

To the Producing Classes in the Union:

The great oppression you feel to-day is produced by *Debt* and its unfailing attendant, interest or usury.

* As stated by Edward Jordon, Esq., private secretary and confidential friend of Chief Justice Chase, to a reporter of the *New York Graphic*, September 21, 1878.

The question most *vital* to the material interests of the people is: 'How shall we get *relief* from the burden of debt and taxation.'

The distinction made by law between *convertible* and *inconvertible* property, is the great objection to debt and credit.

All property is directly or indirectly the product of labor, and would be equally convertible, if the laws did not make an *arbitrary* distinction.

Money is always in a *convertible* condition, and will pay all debts. Other property is *not* so convertible, and will *not* be received in payment of a debt.

An increase in the *volume of money* is the only remedy for our present grievances.—Debtors with *inconvertible* property are everywhere, while monopolists and *non-producers* hold all the money.

A debt of one thousand dollars will, and often does, take by force from the debtor, a farm, a house, or other property that has cost the owner *ten* thousand dollars.

Debt, Debt is everywhere, and can be paid only with *money*!

It has been incurred by States, cities, counties, towns, villages, corporations and individuals to an amount fearful to contemplate.

Nine-tenths of the unproductive real estate in our country is *totally* unsalable, and will not bring, at public auction, the *tax charged* upon it.

This mighty and *ghastly incubus* must be removed.

It is the '*nightmare*,' that sits upon and robs the debtor and producer of rest and sleep, and the citizen of his birth-right, 'Life, liberty, and the pursuit of happiness.'

We have a *right* to repeal the obnoxious law, that makes one thing *convertible* and another *inconvertible*; but, at this time, we propose to change it, so far *only* as to *increase* the *volume* of money, and pay the debts of the people through the agency of the States.

Our plan is brief and plain:

By an estimate carefully made, we learn that the lawful

currency of our country in time of peace and general prosperity, in a population of fifty or sixty millions, should *not* be less than *two thousand millions* of dollars for *permanent domestic use*, in *local trade* and commerce among our people.

The great *credit* we now enjoy as a nation, is produced by the '*peaceful Union*' of these States. Therefore, we propose to appropriate a part of this *credit* to the direct benefit and pecuniary relief of the States and people, who have produced this '*peaceful Union*.'

The power to produce money or tokens of *legal value* out of anything, is the exclusive right and duty of Congress.

In countries where *education*, *character*, *credit*, and *civilization* are not known, the authorities coin and circulate *metal*, according to a standard of *metal* value. But where *civilization*, *education*, and *good government* are found, we use *credit*, as and for money, in the place of an expensive and cumbersome *metal*.

By using *credit* as money instead of *metal*, we save the interest on *two thousand millions* of dollars in currency.

And as money is a *continuous necessity* in all our States, and cannot be dispensed with or reduced in volume without great loss to the people, there is no demand for a *redemption* fund, and will be none as long as the nation exists. Thus it is, that this vast sum of money in greenbacks will bear *no interest* and require *no redemption* fund. This is the logical reward for a '*peaceful Union*.'

This sum of money in greenbacks we propose to divide among the several States of this Union according to population.

This plan and proposition will be not only a *just*, but a graceful act. It will do more to harmonize and fraternize the feelings of the people of the whole Union, than any other legislation can do. It will be '*killing the fatted calf*.' It will restore to the people the money they earned and accumulated during the war, and which was unjustly taken from them.

A feeling of *relief* from debt will be *pleasant* to all, and,

as it will be the effect and result of the '*peaceful Union*' of these States, each one and all will rejoice, that the Union has produced such happy consequences.

As this money will not be a loan, but a *free 'constitutional' gift* from the people to the people, it should be so divided among the States, that every citizen should represent an integral part of the whole sum.

The States should be required to pay all State and municipal debts, before appropriating the money to any other purpose.

In connection with the delivery of this sum of money to the States, each State should be required to enact laws, that shall reduce the rate of interest to four or five per cent., and prohibit every State and every municipal body, created by the States, to contract any *bonded* debt.

To encourage cash payments and discourage the creation of debts, a law should be passed declaring, that after this plan of finance shall be approved, *all* new debts shall be debts of *honor only*, and no court shall have power to enforce the payment of such debts.

This *politico*-financial system will be acceptable to every patriotic, good, and wise person in the Union, and will be strenuously opposed by monopolists, usurers, and their partisans.

By this great scientific plan *all* our States and people will feel the value and beneficence of a '*peaceful Union*' and be relieved from debt without the payment of *one dollar*; while every creditor will be paid in money without *loss* of principal or interest.

The payment of State and municipal debt will set free an enormous amount of capital, which will seek reinvestment, and not only reduce the rate of interest, but will enter into all the business enterprises of the country, that are now languishing for want of capital.

In this plan we claim for the States and people, from the *federal power*, the *exclusive* use of the *right* to create a currency for the people—NOTHING MORE.

As the currency is for *domestic* use *only*, it is proper that the people should be allowed to choose the *kind* of money they will employ in daily transactions. None but monopolists and usurers would deny them this right.

This plan is so plain and practical, that we place it before you in the shape of a question, thus :

Will you use greenbacks for all *domestic* purposes, as and for money, and have your *debts paid* for you,—or will you refuse the greenbacks, and remain burdened with debt and taxation ?”

I believe this system, enacted into law by the next Congress, would cause our country to enter upon an unparalleled career of prosperity, secure our free institutions for ever, and stimulate other nations to imitate our example in finance and Republican forms of Government.

Most respectfully,

PETER COOPER.

P.S.—Should any reader of the preceding pages misunderstand my wishes, let me state them in concise language. I desire:—

First. A national paper currency, issued solely by the Government, and made the only legal tender, receivable for all taxes and dues, and fundable at any time for an equitable rate of interest, by being made *interconvertible* with the bonds of the Government.

The *volume* of this currency must be determined by law, as *per capita*.

Second. A tariff not simply for revenue, but made *discriminating* and helpful to all the industries of the country, where the raw material and the labor can be furnished by our own people.

Third. A “civil service,” divorced from party politics, and organized for the public service, as are the departments of the army or navy, purely on personal qualification and thorough fitness. The offices to be held during good behavior, on *moderate salaries*, but pensions provided for all

disqualified by age or sickness, and a provision made for the widows and orphans.

ADDENDA.

All those, who favor a purely national currency, must rejoice to find expressions like these in Secretary Sherman's letter to the Bankers' Association, at Saratoga, August 12, 1880 :

"The wisdom of the Sub-Treasury system, established in 1846, is not to-day questioned by any one, etc. . . . Every country should have not only a sound and uniform currency, but should have of it such an amount as its business may require, etc." . . .

These ideas show, that the Hon. Secretary has not entirely changed and abandoned the opinions he uttered on contraction in the Senate 1869, as quoted pp. 32 and 33,—and that he may yet aid the real patriots to establish a purely national paper currency, as proposed in the preceding pages, thus giving to the nation all the benefit granted by the Constitution, and not to a few bankers and capitalists, who can at any time expand and contract the national currency, and thus derange the business operations of the whole country.

This letter indicates that the Secretary has no settled ideas concerning finance. Perhaps, while he was writing it, he remembered his solemn declaration to the Senate, that *"every citizen in the United States had conformed his business to the legal tender clause,"* and that contraction *"would be an act of folly without an example of evil in modern times."*

Address on the occasion of introducing Representative De La Matyr, at the Hall of Cooper Union, February 20th, 1880 :

LADIES AND GENTLEMEN: We have met, my friends, to hear a speech from a gentlemen, a Representative of the

people in Congress, on one of the most important subjects, that can engage the attention of the American people.

I will not anticipate, by any long address, what may be said more fitly by the gentleman, who has kindly consented to address us to-night.

But I desire to say, that it is only by such open and thorough discussions of the financial policy of the Government, that the people can be brought to a right understanding on this great and all important question. By this method alone we may hope to settle in a peaceable way the disputes, that have arisen out of a conflict of opinion on those great vested interests, now at war with the best interests of this glorious country.

It is time for the American people to know, that they have not yet conquered all opposition to their inalienable rights. They have not securely achieved their true independence of foreign Governments. This greatest achievement still remains unaccomplished.

It is to obtain their financial independence, and the right to control their own finances, in a way that will "establish justice."

This whole problem of a nation's financial independence may be stated in a few words.

The Constitution has made it the duty of Congress to take and hold the entire power "to coin money and regulate the value thereof," to the exclusion of all other forms of money.

When a man carries his bullion to the Government Mint, and has it stamped into coin, it is his own property and his own money, that is stamped, and is simply authorized and endorsed by the Government, who alone has the power to create legal money.

When a Bank goes to the Government, to authorize, and endorse notes as money, it simply makes use of the Government authority to set its own price on the property and credit of the Bank.

But, when a people issues its own money through the Government authority, and pays it out for value received,

in the shape of labor, service or commodities, needed for its own use, then it is their own credit, and their own money, that is supported by the enterprise and property of the nation.

This is what we demand in behalf of the people ; this is what is denied under one pretext or another by those, who think, that their own peculiar interests or privileges are invaded.

But it is "an irrepressible conflict ;" and who doubts but what it must and will go on, until this great question is settled either in the despotism of an *oligarchy* of money, or in the triumph of the people.

If the people have a "right to life, liberty and the pursuit of happiness," they have a right to control the cause that concerns their lives, their liberty and their happiness more than any other cause ; and that is the true financial policy of this Government. It must be a policy, over which the Government can exercise an entire control.

This financial policy has hitherto been conducted in the interest of a class, and not of the people.

No better proof of this can be given than that, found in the history of this country for the last twenty years.

On the threshold of a great civil war, which threatened the very existence of the nation, the capitalists of this country and of foreign countries, were unwilling or unable, to supply the wants of the Government for money on a specie basis.

They offered their credit only without specie redemption.

It was then that a great statesman, the Secretary of the Treasury, recognized the fact, that the credit of a Government, such as ours, was worth more than that of all the banks of the country, united to that of all the capitalists in Europe.

Secretary Chase resolved, as he said, to "cut up the credit of the country into small pieces of paper, and circulate them as money." He did so ; and more than \$2,000,000,000 of legal tender found its way into the hands of the people.

It was purchased by the people's labor, service and commodities, which might have drawn the same, in gold and silver out of the mines. It was, at once, put by the people to the most indispensable use,—that of paying all debts, incurred for labor, service or commodities, all over the country. It paid for all the labor and maintenance of the poor, and supported the enterprises of all business.

It was a most cruel outrage on the rights of the people to turn all but a fraction of this real money, so earned and paid for by the people, into a bonded debt, paying interest to those, who have been relieved from taxation, both State and National.

This is the great wrong, that the American people have suffered at the hands of their rulers. This wrong must be redressed. Justice must be established as the only means by which the domestic tranquillity of this great nation can be secured.

We meet here to-night to invoke the attention of the American people, in this Great Hall, devoted to the promotion of art and science, and to the welfare of the whole country.

I recommend, therefore, the Hon. Mr. De La Matyr, to the respectful attention of this audience.

His commanding position, as a Representative of the people, his superior attention and study of the financial subject, and his great zeal in the cause of a true national currency, qualify him to instruct the public.

He will show you how unjust and cruel have been the financial laws, that have been passed for the last few years. They have filled a great and prosperous country with the desolation of a large portion of its business, and have forced idleness and pauperism on thousands of its honest laborers.

“By their fruits ye shall know them;” these are the fruits of a legislation, which degraded the people's money, by refusing to receive it for duties and the interest of the public debt; which promised coin for the interest and principal of the public debt, when that was known to be a physical

and moral impossibility; and the whole credit of the currency was made to rest upon how little coin would be called for; a legislation which has finally placed a bonded debt of two thousand millions as a yoke upon the necks of this people, under the pretence of their obligation to pay for a currency, that had already been paid for by the labor, service and commodities. It is no more a debt, than the gold and silver, won from the mine by labor, and stamped by the Government as money.

To know the real duties of every administration of our Government, and the spirit and purpose of every law enacted, we must always recur to that grand preamble of our Constitution, that condenses all a nation's wants into these few words:

"We, the people of these United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution of the United States of America."

PETER COOPER.

HON. PETER COOPER.

MY VENERATED FRIEND: Many thanks for proof sheets of your able pamphlet. I am gathering facts for a speech on "The Folly of Substituting Paper Currency, based on Specie, or Interest-bearing Bonds, for Money."

I desire to present facts as concisely stated as possible.

Nearly every fact, contained in your article, I need. I have outlined my speech—

1. What is money?
2. The instances, in which paper money has been resorted to in national exigencies, and the results.
3. Commendation of paper money by prominent statesmen, and writers, on political economy.
4. Instances in which currency, not money, has failed and the results.

5. Cost of substituting national bank currency, based on interest-bearing bonds, for money, in our recent history.

I am decidedly in favor of internal improvements. I believe we could employ the idle in such works, and by that means, push into circulation the proper amount of money.

You see my plan of a speech is in accord with your article, and if it please you, I will use your facts.

I desire to put facts in all the points above noted, in such a concise form, that our people can have them at hand, and that they may convince all, who will consider them.

May your life, which has been a perpetual benediction to the poor, linger long in its serene evening, diffusing blessings. Its influence shall live and widen forever. I congratulate you on the rich consciousness of such a life.

Respectfully yours,

G. DE LA MATYR.

ARTICLE ON THE CURRENCY, 1881.

Section 9 of the Constitution says:

"No money shall be drawn from the Treasury but in consequence of appropriation made by law; and a regular statement and amount of the receipts and expenditures of all public money shall be published from time to time."

The money, transferred to the National banks, is issued in bulk, *not by virtue of appropriations*. The issue is not for the benefit of the Government, nor for the benefit of the people. It is issued solely for the benefit and profit of individuals, in defiance of that general welfare, which it is the duty of the Government to secure, and of the foregoing provision, etc. . . .

It is an inexcusable, unnecessary, and unequal favoritism to benefit a privileged class. It is inexcusable, because the Government should issue the currency, as it does the greenback, and thus save an enormous bounty, taxed upon the non-bondholding masses, thus violating that equality and justice it is the duty of the Constitution to preserve.

It is unnecessary, for the people prefer the greenback—

it promotes no public good, but is a never-ending public danger to promote private interests and corporate profits.

It is unequal favoritism, giving to 2,400 banks, millions in yearly bounties. It gives to bounty-fed speculators the power other capital cannot enjoy: It places in the hands of a few the right to dominate over the necessities of labor, of business and of values, etc. . . .

It is based on individual control and individual credit. The one is the passion of an hour, the other is as fickle as chance; and these features are all there is of the National bank system.

Jefferson, Franklin, Madison, Jackson, Calhoun, Benton, and a long line of statesmen and judges, whose names are identified with national jurisprudence in every State, have declared against the delegation of the power to coin, issue, or regulate the money of the nation to banks and bankers, and it is time, that an end should be put to it. We have learned to appreciate national resources and credit as the basis of national money, and national financial power, as distinguished from individual financial power, etc. . . .

Whether the people will longer tolerate individual money, controlled by individual speculators and corporate combinations, to promote personal aggrandizement, and consent to be taxed to sustain a favored class by exemption from taxation. Whether they will longer submit to having bounties, taxed upon labor and production to sustain an unconstitutional, impolitic, dangerous monopoly, combined into the almost limitless power of the Bank Association to force a currency upon the country, which individuals can expand and contract at their pleasure, which threatens to master and control Congress by its power to keep alive privileges, bounties, and all the outrageous usurpations money can make profitable, and all the power corruption and privilege can wield to subdue the people. The voter must decide it. The decision can safely be entrusted to his intelligence, to his common sense, and, above all, to the duty he owes to himself, to his fellowmen and to his country.

We call upon the farmers, the workingmen, the business men and all, who love free institutions, to join us at the polls in voting away this unconstitutional bank currency, as one of the most dangerous evils, that threaten a constitutional Government and the liberties of the American people. Let us unite all our efforts in the overthrow of this greatest of all monopolies, the monopoly in money : and let us secure for the people a currency, that shall be the unfluctuating measure of all values, receivable for all taxes, duties and debts ; a currency, that is both Republican and Democratic in its morals, social, political and commercial influences. Such a currency the United States legal-tender Treasury notes only can give.

In the thousands of documents I sent into every part of our country, my object has been to show, that the Constitution has made it the solemn duty of Congress to take and hold the entire control of all that should ever have been *allowed* or used as *money*.

As a part of my long continued efforts to obtain for our country the inestimable blessing of a national currency I sent a petition to the Senate and House of Representatives on the 14th of December, 1862, at the very time, when Secretary Chase declared to *his confidential adviser, S. M. Stilwell*, that he had hundreds of thousands of dollars of bills audited without a dollar in the Treasury to pay them.

PETER COOPER.

A STRICTLY NATIONAL PAPER CURRENCY, BASED ON NATIONAL TAXATION, IS THE CHEAPEST, SAFEST AND MOST CONVENIENT MEDIUM OF EXCHANGE FOR A REPUBLIC. APRIL, 1882.

It will always be a cause of regret to every right mind, looking back upon the wants of a great people in its deprivation of a currency, which might have been utilized without difficulty in making exchanges, that it was left to the tender mercies of local banks. Jefferson, the author of the Decla-

ration of Independence, raised his voice against the curse of the local banks, which were allowed to come into being by the neglect of the Government in the performance of its duty, and in the payments of its debt in some form or shape. The Government should have given to the country a steady currency it so much needed, and which the people had every reason to hope for and expect; because all the Provinces had been in the habit, for a number of years, before the Revolution, of issuing what was then known as Colonial Treasury Notes; these notes were made receivable by the several Provinces for taxes; and anything the Government would accept for taxes, everybody was glad to take in exchange for every other kind of property. These Colonial notes, being adopted by all the Colonies, led to an unexpected degree of prosperity, so great that, when Franklin was brought before the Parliament of Great Britain and questioned as to the cause of the wonderful prosperity, growing up in the Colonies, he plainly stated, that the cause was the convenience they found in exchanging their various forms of labor one with another by the paper money, which had been adopted; that this paper money was, not only used in the payment of taxes, but in addition it had been declared legal tender. It rose 2 and 3 per cent. above the par of gold and silver, as everybody preferred its use. One of its advantages was its security against theft, as it could be easily carried and hidden, on account of its having no bulk, as all kinds of specie necessarily must have. After Franklin had explained this to the British Government as the real cause of prosperity, they immediately passed laws, forbidding the payment of taxes in that money. This produced such great inconvenience and misery to the people, that it was the principal cause of the Revolution. *A far greater reason for a general uprising, than the Tea and Stamp Act, was the taking away of the paper money.*

One of the best business lessons of my life I learned some sixty-five years ago, at the time of what was then known as General Jackson's war upon the United States

Bank. I thought, that I saw, as did General Jackson, the terrible danger, which resulted from allowing corporations to control the money of the country. Even in the hands of a good man, such an institution as the second United States Bank, chartered with the privilege of controlling a capital of \$38,000,000, loaning, as it did, \$4 in paper for every dollar it controlled by its charter. That bank had the privilege of opening a branch in every State, with authority to issue what was called United States money, based upon this charter, which was actually obtained by giving \$1,500,000 to the Government, and, as Mr. Benton says, in his "History of Thirty Years in Congress," the advocates of that bank spent \$3,000,000 in bribing Senators, members of the House of Representatives, and editors of newspapers for the accomplishment of their purpose, etc. . . .

The *ten panics* in the money market, that I have myself witnessed have been brought about by the people becoming dependent for their business operations upon bank accommodations, which have been too suddenly withdrawn from them, so that they have had to make the most heart-aching sacrifices to pay the banks, etc. . . . As I now recollect, I think that even a barrel of flour rose to the price of \$18.

It should never be forgotten, that the amount of notes, given out during the Rebellion, were declared legal dollars, every one of them; and they were actually paid out to the soldier, sailor, farmer, mechanic and laborer as legal dollars for all the forms of labor and property, that was consumed and used in the prosecution of that terrible war. This money, so spent by the people's Government, was the price of the nation's life, and should be regarded as the best investment ever made by Congress. Although it did save the nation's life, it might have been done with a far less amount of issue, had they continued to guide their course of legislation by the advice of Thomas Jefferson, who it is said framed the Declaration of Independence, and declared, that the taxing power was amply sufficient to meet every possible contingency, and, to use his own words: "Treasury

notes should be issued, bearing or not bearing interest, as the case might arise"; and, in case of war, should be issued without interest, but still made positively legal dollars, each dollar, being in fact, as valid as a legal mortgage on the whole property of the country. As it was entirely out of the power of the people to pay it at once, a necessary and proper law should have been passed, making the amount of money, so found in circulation at the close of the war, the unfluctuating measure of all values for all time to come; that it should never be allowed to increase only as *per capita*, with the increase of the inhabitants of the country. All must see, that a currency, so issued for the salvation of the country, should have been regarded as the richest treasure a nation could possess, and if its purchasing power had never been interfered with, by preventing it from being accepted in payment of duties on imports and interest on bonds, this money, instead of being less in value, would always have had a preference to gold and silver, as it actually was with the Bank of Venice, the paper circulation of which ran through a period of more than 500 years, always being of greater value than gold and silver, and even was considered so much higher in value, that the Government had to pass a law, declaring it unlawful for any man to take more than twenty per cent. premium on this paper money. During that whole period of 500 years of Venetian paper money, there is no account of any panic having arisen there at any time. Their credit remained perfectly good, until their country was over-run by the army of Bonaparte. So it would be found with the Treasury note of our own Government, if it would only give to the American people the simple amount of legal dollars, actually found in circulation at the close of the war, giving a return for every dollar of money, paid out by the Government to the people for value received. Had this been continued with the unfluctuating measure of all values, thousands of millions of dollars would have been saved to the American people, which have now been lost, giving us instead national demoralization as a

recompense for the unconstitutional, invalidating financial laws, that have been passed. It must be apparent to all, when the knowledge of these facts comes to be understood by the people, and when they come to be fully impressed with the cruel injustice, that has been done them by passing laws, which Secretary Sherman assured them, as I have so often published: "After every citizen of the United States had conformed his business to the use of that money," and further added: "To take that money from the people would be an act of folly without parallel in ancient or modern times." He further assured them in a speech, made at Cincinnati, "that this money could not be taken away from the people without bringing upon them scenes of wretchedness and ruin," such as no Senator has better described than himself. In the face of all these facts, which must have been known to President Hayes, he yielded to the importunities of bankers and money dealers, and vetoed the bill, that had been passed by Congress for the people's protection. How comprehensive were all such subjects to General Garfield, when he declared in Congress: "*Whoever controls the volume of currency is absolute master of the industry and commerce of the country.*"

CORPORATIONS DANGEROUS IN A REPUBLIC.

"Corporations are fast becoming the curse of modern life. They usurp the powers, that belong of right to the community and its Government, and actually threaten the liberties of the people. The individual capitalist is often, if not generally, a benefit to the community. He respects public opinion. He cares for the approval and regard of his fellow-citizens. He has human sympathies and a conscience. He generally uses his wealth for the public benefit in indirect, if not in direct ways. But, when he combines with other capitalists in forming a corporation for special objects, and puts his money in it, the thing he helps create is utterly destitute of personal or human qualities, and is often managed in absolute disregard of the rights, the interests, the

welfare of everybody but the men, who own and operate it. Every individual, who has a hand in controlling the machine, feels absolved from moral responsibility in its conduct. If it robs other people, ruins their business, injures their estates, it is none of his concern and he washes his hands of personal guilt.

Americans rejoice, that they have got rid of kings and lords; but they have saddled themselves with corporations, which are proving to be harder task-masters, more grinding and heartless despots, than any of the old-world tyrants. The railway and mining corporations, in Pennsylvania to-day, are more despotic and cruel in their dealings with their employees and more utterly indifferent to the rights of the public and the welfare of the State, than any European autocrat. They set the will of the people at defiance, and by keeping control of the Legislature and putting their own creatures in the State offices, they compel the people to obey their will. New York has an experience of the same thing in the Central and Hudson River Railroad. But for the Erie Canal, which holds the freight rates on the railroads down to a low point eight months in the year, the business of New York City would be at the mercy of this greedy corporation, which puts agents and attorneys enough into the Legislature to carry any measure it asks for, and prevent even an investigation of its doings."

The laboring part of the community are coming to see the cause of the present enslavement to the national debt, which they find has grown out of a cunningly devised system of legislative traps, especially calculated to ensnare the weak and unsuspecting part of men, and by that means draw from them a large part of the products of their labor, without giving them any substantial equivalent in any form of usefulness in exchange for all the varied products of their industry. These things have grown up in our community to be a vast monied oligarchy, that now feels its power to be so great as to control both the State and the National Government in their own interest. This is what the fathers

and founders of our country foresaw might happen, when Governments would become corrupt and adopt means of oppressing the laboring portion of the community.

When a course of systematic oppression has been persisted in by the Government, so as to establish the fact, that the governing are determined on making it a despotism, it is then the duty of the people, as the Declaration of Independence says, to believe, "That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these rights are life, liberty, and the pursuit of happiness; that to secure these rights Governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of Government becomes destructive of these ends, it is the right of the people to alter or abolish it, and to institute a new Government, laying its foundations on such principles, and organizing its powers in such form, as to them shall seem most likely to affect their safety and happiness. All experience has shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms, to which they are accustomed," but when (as it happened within the last eighteen years) "a long train of abuses and usurpations, pursuing invariably the same object, evinces a desire to reduce them under absolute despotism, it is their right, it is their duty, to throw off such Government and to provide new guards for their future security." Such has been the patient sufferance of the people. With the unconstitutional financial laws, that have been passed since 1863, it has become apparent to the thoughtful part of the laboring portion of our country, that the cause of their financial sufferings has grown out of a course of financial laws, which, as I see it, has been in open violation of the very first injunction of the Constitution, which declares, that Congress *shall* establish justice, as the only possible means, by which liberty and life can be successfully protected against the avarice and cunning of those who "lie in wait to deceive."

For my own part I feel a great deal of alarm on account of the long persistence of this train of evils and the consequences, which will naturally grow out of them, and which, unless carefully dealt with, by giving back to the people some evidence, clear and substantial, that the Government is determined to protect their rights and give them such relief as their rights demand, there will be every reason to regret it. Unless this protection is given by the Government, we cannot but fear, that the great body of laboring people, who find, that they have been literally legislated into an enslavement of a bonded debt, it will not be much longer patiently borne. It will be the part of wisdom of the American Government to take measures, as soon as possible, to show their determination to give back to the American people in the most convenient form, in which it can now be done, the amount of money, wrongfully taken from them, for which they have given their lives and their property of every description during the whole course of the late terrible war, and in which they had then taken their pay, the Government declaring it to be legal and allowing it to be circulated for so many years; its amount was so great, that it would have bought and sold the value of the whole property of the country many times over. Secretary Sherman, when in the Senate in 1869, declared the truth, when he said, that every American citizen had conformed his business to the legal tender use of that money, and that the scenes of wretchedness and ruin must come to the American people, if the Government should take that money out of circulation, which it so wrongfully did, both as to small and large paper currency, and converted the whole amount, so taken from the American people, into a national bonded debt.

This course of financial policy has been so long insisted upon, during and since the late war, that it must inevitably attract the attention of the toiling masses, who will see, that they have the power of numbers, at any time when they will it, to change this Government so as to make it

conform to the positive requirements of the Constitution and the laws, authorized by it. We must hold to the Declaration of Independence and the Constitution as the sheet anchor of our American hope for the continuance of the freedom and independence of our whole country. When all hope is blasted by continued oppression, it needs no prophet to foresee what will be possible and certain in the ruin, that must come. We may learn from the prediction of an old Boston gentleman, who wrote to me: "When all the boiling passions of the American people are wrought up against each other, there are no people in the world, that will carry destruction to such a pitch as it will then be carried by the American people."

All this terrible possibility of ruin and destruction, it is now in the power of Congress to avert. It will require nothing more than to refuse the rechartering of the banks, *deceitfully styled national*, and a course of just and equitable financial laws, which will show the whole country, that the Government is now determined to establish justice and carry the laws into execution in accordance with the Constitution. These laws should, as I have said, give back at once to the people in some form, that will most conveniently extinguish the debt, and provide, as the English Government has done, for the savings of the common people by a Postal Savings Bank, which will furnish money to the Government for all its purposes, by taking up the unoccupied money of the country, the profits of which now go into the national banking system. To accomplish all this it is only necessary to furnish the laboring classes a convenient method of safely depositing their unoccupied money at a low, but reasonable rate of interest. When the national bonds have been paid off, and the money returned to the people, who now own it, they will find it necessary to look for honest and trustworthy persons, to whom this money can be loaned, which will not be like loans from a bank, that demands a return of it every thirty, sixty, ninety days and four months; but it will be loaned to responsible persons, who will use it to commence

some profitable business, allowing them to keep up the interest and pay the principal at their convenience, when it will be reloaned to some enterprising mechanic or workingman, who can make a profitable use of it, and the longer he keeps it and continues to pay the interest promptly, the better the owner of the money will be pleased with the arrangement. Such a method of loaning money tends to the moral and physical improvement of the whole country.

It is now known to nearly all throughout the country, that large bodies of workmen are united in various forms of organization, called Labor Associations, for their mutual protection and benefit. This, it must be seen, will render it easy for them to settle upon some plan of operation, which they may find indispensable to their safety and happiness, and in strict accordance with the Declaration of Independence and the Constitution, to unite in a positive demand upon the Government for such relief as they may feel to be their right, their duty, and indispensable to their future welfare. It is now absolutely necessary, that this Government, being Republican in form, should make itself a paternal Government; otherwise it cannot long exist.

When we found it necessary to make large payments in coin, we realized the great danger, as well as labor, in carrying it from one city or State to another. The people all over our country sustained a great loss, when they had to give up the small paper currency, that had been authorized and circulated to the amount of some \$60,000,000. It was a very great convenience and saved much time and labor in various ways to make payments by letter or otherwise with this currency, and this great privilege was in the hands of all classes of people; and how it could have been so shamefully withdrawn, without a petition being sent to Congress from the masses, without giving them any voice or expression, is more than I can conceive of. I do not see how any one could have been found to commit so great an outrage, as taking this currency out of circulation, when it was without cost to either the Government or people, and this \$60,000,000 of

small paper currency was converted into a national debt, and the toiling masses have been called upon to pay the interest on it from that day to the present, which must be continued through all coming time, until the debt is paid, which payment is constantly being resisted by the 2,300 chartered banks, that desire this debt to remain as a means of continuing their banking privileges. More than this, it is now found that \$10,000,000 of the small paper currency has never come in, and, therefore, if it had been issued by the bankers, they would have had the \$10,000,000, besides the interest they now have by taking the money of the Government at one per cent., and loaning it out at from six to fifteen per cent., all of which is a loss to the toiling masses of the American people, and all this in the place of the admirable currency, that we had at the close of the war, for which the people had given labor and property for every dollar, found in circulation at that time.

To allow the profit, accruing from the loss and mutilation of over \$300,000,000 of currency to go to the chartered banks, instead of the people, would be very wrong. I doubt whether any Representative, now in Congress, would cast his vote for re-chartering them, if he considered, that his vote might give \$50,000,000, which are about the loss and mutilation of \$300,000,000 in circulation, to say nothing of from six to fifteen per cent. other banking profits, all of which belong to the nation and cannot be constitutionally given away by Congress.*

Government should at the earliest opportunity create a currency, based on the property of the nation, reserving gold merely for foreign exchanges, so that speculators could not interfere with it. The people are now used to, and prefer a national paper currency from a ten cent. to a one hundred dollar, bill; there is no reason why they should not have it, being their only salvation from knavishly contrived

* This article of 26 pages, in pamphlet form, was sent to every member of Congress, yet they re-chartered these banks? The reason why must occur to every thoughtful mind.

periodic gold panics by holders of gold in our own and foreign countries, etc. . . .

All this will show, that our present system of National Banks is a moneyed power, which is more able to inflict on the American people the greatest possible amount of suffering, like that which is now passing the real estate of our country rapidly out of the hands of the many into the possession of the few, which will soon produce here a state of things like that, which has caused murder and bloodshed in Ireland, and is now spreading to the Isle of Skye in Scotland.

The moneyed interests of our country have taken the place of the enslaving power, that brought on the late destructive war, and it needs but little perception to see and judgment to know, that this potent power in our land, aided by capitalists in Europe, has introduced and carried out measures, that have literally enslaved the millions of inhabitants, who have nothing to sell but their own labor. They are now left at the mercy of their employers, who get their labor for the smallest consideration, for which it can be obtained ; then by the vacillating and changeable moneyed power, that has been created by our Government, enabling certain classes of men, banks and corporations without souls, to expand and contract the circulating medium in use throughout the length and breadth of our country, to such a degree as periodically, once in some seven or ten years, to bring about a *panic*, causing such pressure and general ruin, as to throw all of these poor people out of employment, and leave them worse off, than were the slaves at the South, many of whom had good masters to take care of them. All this devastation to the millions has been wrought by the influence of banks and moneyed corporations, created by special, partial and unconstitutional class legislation.

Our rulers made the same mistake the English Government made, in taking away from the people their paper money, and making what was left subject to be redeemed in gold and silver. *All this was done after the warning of*

Sir Archibald Alison, who so distinctly stated, that he hoped the American Government would not make such a mistake as did Great Britain, which he declared had brought upon them a greater amount of suffering in their efforts to get specie payments, than had been occasioned by all the wars and all the terrors of pestilence and famine, that had fallen upon them. Our Government would not learn by the experience of other powers, but yielded to the importunities of banks and bankers, thus forcing our country through a similar scene of suffering, wretchedness and ruin since 1863, costing thousands of millions of dollars in the lessened value of property, and taking away the national currency in circulation at the close of the war, for which full value had been given, even to the very last dollar, as I have so often said. . . .

President Madison, in his message of December 3, 1816, said :

“But for the interests of the community at large, as well as for the purpose of the Treasury, it is essential, that the nation should possess a currency of equal value, credit, and use wherever it may circulate. The Constitution has intrusted Congress exclusively with the power of creating and regulating a currency of that description,” etc. . . .

Webster said :

“When all our paper money is made payable in specie on demand, it will prove the most certain means, that can be used to fertilize the rich man’s field by the sweat of the poor man’s brow.

“The producing cause of all prosperity is labor ! labor !! labor !!! The Government was made to protect this industry, and to give it both encouragement and security. To this very end, with this precise object in view, power was given to Congress over the money of the country.”

He predicted that conditions, which permitted the rapid accumulation of property in the hands of a few, remitting the masses to poverty, would soon destroy free institutions.

Benton said :

“The Government ought not to delegate this power, if it could. It was too great a power to be trusted to any banking company whatever, or to any authority but to the highest and most responsible, which was known to our form of Government. The Government itself ceases to be independent, it ceases to be safe, when the national currency is at the will of a company. The Government can undertake no great enterprise, neither of war nor peace, without the consent and co-operation of that company; it cannot count its revenues for six months ahead without referring to the action of that company, its friendship or its enmity, its concurrence or its opposition, and see how far that company will permit money to be scarce or to be plentiful, how far it will let the money system go on regularly or throw it into disorder, how far it will suit the interest or policy of that company to create a tempest or suffer a calm in the moneyed ocean. The people are not safe, when such a company has such a power. The temptation is too great, the opportunity too easy to put up and put down prices, to make and to break fortunes, to bring the whole community upon its knees to the Neptunes, who preside over the flux and reflux of paper. All property is at their mercy.”

General Jackson :

“I submit to the wisdom of the Legislature, whether a national one [currency], founded upon the credit of the Government and its resources, might not be devised, which would obviate all constitutional difficulties and, at the same time, secure all advantages to the Government and the country, that were expected to result from the present bank.”

John Earl Williams, President of the Metropolitan Bank :

“I would suggest, that Congress assume, at once, the inherent sovereign prerogative of a Government ‘of the people, by the people, and for the people,’ and exercise it, by furnishing all the inhabitants of the United States with a uniform national currency. Surely the people, and the people only have a natural right to all the advantages, emolu-

ment or income, that may inure from the issue of either \$1,000 bonds with interest, or \$10 notes without, based on the faith and credit of the nation," etc. . . .

This principle, simple, clear, and undeniable, ought to be recognized as fundamental, and the only safe and proper basis, on which may securely rest all the circulating medium of the country, for the sole benefit of all the people and not, as now, for the profit of a class of stockholders, however deserving they may be in all other respects.

To carry into effect this principle—to substitute United States notes for bank notes—take away, as soon as practicable, and for ever, all circulation from banks.

They would do a strictly legitimate business as banks of discount and deposit, knowing, that whatever leads to the prosperity of the whole people must be beneficial to the banks; but leaving the right where it belongs, to the United States Government, to supply the whole circulating medium of the country.

In this connection, we must remember, that banks are the creatures of law. The laws, which created them, may, by virtue of rights reserved, be amended, altered or repealed.

To those, who are disposed to complain of the change as a hardship, one is tempted to ask what natural right a dozen stockholders have to receive notes from Government to circulate, that any other dozen men do not possess? As John Earl Williams was an eminent banker, his opinion must have weight.

Allow me to repeat F. E. Spinner's experience in this department:

"I had made up my mind that, when I left the Treasury, never again to meddle with, or even think of, politics or of anything in any way connected therewith, and to seek that peace and quiet of mind and bodily rest, that a man at the age of seventy-three, who has been so actively engaged, mind and body, for more than half a century, so much needs. But it now seems to be somewhat doubtful, whether I will be able to carry out that, resolve, etc. . . . Educated as

I was in the hard money school, I have had hard work to unlearn what I was taught as being truism in political economy, and to rid my mind from preconceived and, as I now believe, erroneous ideas.

"My experience in the Treasury has been to me a very practical school, and I must have been blind not to have seen the errors of the popular theories, that have been so long accepted as settled truths by the various commercial people of the world, etc. . . . I hope to live yet long enough to see Congress make a beginning in the right direction, by passing an act, authorizing the issue of a bond, bearing a low rate of interest, that can at the will of the owner, be at any time convertible into a legal tender Government note, and the note, in a like manner, convertible into such a bond, etc.

. . . Such a currency would at all times adjust itself to the exact business wants of the country, and therefore a commercial revulsion would be next to impossible.

"This once accomplished and working, as you and I believe it will work, for the benefit of the whole people, other important and beneficial reforms would soon follow. The *Shylocks* foresee all this, hence their fierce opposition."

Such advice from a patriot, who was fifteen years United States Treasurer during our late war, speaks volumes in favor of greenbacks.

In spite of these warnings, uttered and written by sages, statesmen, and financiers from Franklin, Jefferson, and Webster to Senator Jones, President John Earl Williams, and Treasurer Spinner; in spite of the seven and ten yearly periodic *panics*, that impoverished our farmers, manufacturers, mechanics and laborers, and enriched the banks and capitalists, *Secretary Folger and Comptroller Knox seem now inclined to advise the re-chartering of these banks, deceitfully called national.* However, it is consoling to read in rural patriotic papers: "The people, just awaking from their lethargy, and beginning to comprehend the situation, are rapidly getting into position to assert their rights in Congress, and compel this spurious money of the banks to retire.

The irrepressible conflict is fairly under way, and is gathering momentum every day, both in Congress and also among the people."

This looks as though the real producers in this great Republic felt the necessity of raising their voice against legislation, that favors the few at the expense of the many, which is contrary to the letter and spirit of the Constitution.

Having just received the *Congressional Record*, of March 30, 1882, containing the able speech of the Hon. Richard Warner, M.C., of Tennessee, I cannot help adding the following extract from his wonderful epitome on our finances and monopolies since 1860 :

"Free Governments recognize the sovereignty in the people. The creation of moneyed and other monopolies necessarily extracts from the people their sovereignty in proportion to the numbers and powers of the corporations, and shears the States and nation of that much sovereignty. These are the hydra-headed monsters, that sap the life-blood and destroy the very foundation of the Government—growing in size and strength as the Government departs from its original purity, and, unless checked by an upheaving of the toiling millions, dwelling on the hills and in the valleys of the great agricultural area of the United States, and the mechanical and manufacturing laborers, this great and glorious sovereignty, purchased by blood, labor and toil, this Government of the people, Heaven's best gift to the oppressed of all lands, will sink beneath the leaden weight of monopoly, and become the prey of oppressors of mankind."

NATIONAL BANKS.

These banks are very expensive to the people. The law of their creation was passed February 25, 1863, but they had no circulation in that year. Their circulation was—

In 1864.....\$ 31,235,270	In 1867.....\$290,625,379
In 1865..... 146,137,800	In 1868..... 299,762,855
In 1866..... 281,070,908	In 1869..... 299,929,625

In 1870.....	\$299,766,984	In 1876.....	\$332,998,306
In 1871.....	318,261,211	In 1877.....	317,048,872
In 1872.....	337,664,795	In 1878.....	324,514,284
In 1873.....	347,267,061	In 1879.....	329,691,697
In 1874....,	351,981,032	In 1880.....	343,834,167
In 1875.....	354,408,008		

In this connection Mr. Warner proves, that these grasping institutions have made out of the people the enormous sum of \$1,848,930,000 within the last sixteen years. They have not been satisfied with their fabulous profits, but have carried on litigation to be exempt from State taxation. He further observes :

“You have about twenty-two hundred banking corporations knocking at the doors of Congress to re-charter them for a period of twenty or thirty years, as the case may be, and leaving a law in existence, which will permit the chartering of as many more if desired, asking to allow the control of the currency to be continued in corporate bodies. I would favor the repeal of the law allowing the charter of national banks, refuse to re-enact them, and pass a law winding up national banks as soon as their charters expired, taking from them the power and control of the currency, placing it back in Congress, where the Constitution fixes it. The Constitution creates but one legislative body, and rests in that body the sole and exclusive legislative power. There is no clause in the Constitution, that gives Congress the power to delegate legislative power to any other body. It alone can exercise such power. If Congress has the power to give or delegate to banking corporations power and control over the currency to the exclusion of itself, by parity of reasoning could they not delegate and give to railroad corporations the power and control over commerce?”

Tabular Statement of the United States Debt, under a Government of the people, by the people and for the people, from 1791 to 1860 :

Year.	Amount.	Year.	Amount.
1791	\$75,463,476 52	1826	\$81,054,059 99
1792	77,227,924 66	1827	73,987,357 20
1793	80,352,634 04	1828	67,475,043 87
1794	78,427,404 77	1829	58,421,413 67
1795	80,747,558 39	1830	48,565,406 50
1796	83,762,172 07	1831	39,123,191 68
1797	82,064,479 33	1832	24,322,235 18
1798	79,228,529 12	1833	7,001,698 83
1799	78,408 669 77	1834	4,760,082 08
1800	82,976,294 35	1835	37,513 05
1801	83,038,050 80	1836	336,957 83
1802	86,712,632 25	1837	3,308,124 07
1803	77,054,686 30	1838	10,434,221 14
1804	86,427,120 88	1839	3,573,343 82
1805	82,312,150 50	1840	5,250,875 54
1806	75,723,270 66	1841	13,594,480 73
1807	69,218,398 64	1842	20,601,226 28
1808	65,196,317 97	1843	32,742,922 00
1809	57,023,192 09	1844	23,461,652 50
1810	53,173,217 52	1845	15,925,303 01
1811	48,005,587 76	1846	15,550,202 97
1812	45,209,737 90	1847	38,826,534 77
1813	55,962,827 57	1848	47,044,862 23
1814	81,487,846 24	1849	63,061,858 69
1815	99,833,660 15	1850	63,452,773 55
1816	127,334,933 74	1851	68,304,796 02
1817	123,491,965 16	1852	66,199,341 71
1818	103,466,633 83	1853	59,803,117 70
1819	95,529,648 28	1854	42,242,222 42
1820	91,015,566 15	1855	35,586,858 56
1821	89,987,427 66	1856	31,972,537 90
1822	93,546,676 98	1857	28,699,831 85
1823	90,875,877 28	1858	44,911,881 03
1824	90,269,777 77	1859	58,496,837 88
1825	83,788,432 71		

In this table may be seen, that the founders and statesmen of this free country reduced the debt of \$75,000,000 in 1791 to \$37,000 in 1835, and only allowed it to reach \$58,000,000 in 1859 ; hence they could not see any blessing in a national debt.

Tabular Statement of the United States Debt, under a Government of bankers and monopolists, by bankers and monopolists and for bankers and monopolists, from 1860 to 1881 :

Year.	Amount.	Year.	Amount.
1860	\$64,842,287 88	1871, ...	\$2,353,211,332 32
1861	90,580,873 72	1872....	2,253,251,328 78
1862	524,176,412 13	1873....	2,234,482,993 20
1863	1,119,772,138 63	1874....	2,251,690,468 43
1864	1,815,784,370 57	1875....	2,232,284,531 95
1865	2,680,647,869 74	1876....	2,180,395,067 15
1866	2,773,236,173 69	1877....	2,205,301,392 10
1867	2,678,126,103 87	1878....	2,256,205,892 53
1868	2,611,687,851 19	1879....	2,245,495,072 04
1869	2,588,452,213 94	1880....	2,120,415,370 63
1870	2,480,672,427 81	1881....	2,000,000,000 00

In this table may be perceived the machinations of politicians, bankers and monopolists, whose deceitful motto has been : "A national debt is a national blessing," hence they increased that debt from \$64,000,000 to \$2,000,000,000, and funded it for their own benefit, so as to make it consciously or unconsciously a stepping-stone for some ambitious dictator, Cæsar or Napoleon, unless the people assert their rights. Also this pertinent remark occurs in Mr. Warner's able speech, summing up the opinions of statesmen and the ideas of the people on this all-absorbing subject :

"In the origin of our Governments, both State and national, a public debt was by our great statesmen held as a public curse ; perpetuities were regarded as slavish and de-

structive of liberty; monopolies and great moneyed corporations as dangerous to a republican form of Government; but now and for the last twenty years the great mass of the legislation has been and is to give them more power, lend them more strength, and to extort from the people, upon whose shoulders all the burdens of Government rest, their substance.

"The rich of the world are wedded to gold, the poor to silver and paper money. It is to the interest of the rich and moneyed kings to demonetize silver and Treasury notes and make gold the sole currency, because they own the gold. Hence the reason of the Conference between the moneyed powers of the United States, England, France and Germany, that brought about the act demonetizing silver in 1872, which was repealed in 1878. It is well demonstrated and sufficiently proved, that two things are lodged in the people's hearts: First, they will not have silver demonetized; second, they will have a paper circulating medium. Money is the great lever and moving power of all nations in war and in peace. And when the control over it is vested in corporations, they can wield the nation with as much power as the Czar of Russia, etc. . . .

"I can now see the cloud of death upon liberty, and fully realize the warning words of Washington—the first in war, the first in peace, and the first in the hearts of his countrymen—in his Farewell Address: '*I conjure you, my countrymen, to beware of the insidious wiles of a foreign influence.*'"

I cannot help expressing my heartfelt thanks to Mr. Warner for his bold and instructive discourse on our financial system for the last sixteen years. I hope his noble efforts will be endorsed by the people, who will rise in their might to prevent a recharter of these grasping institutions.

I will express with the fewest possible words the nation's wants.

If Congress will now withdraw the present volume of bank notes, which have been given as a subsidy to the

banks, and issue an equal volume of Treasury notes, made receivable for all forms of taxes, duties and debts, and use these Treasury notes to cancel the bonded debt, now payable, or restore our decaying commerce and provide cheap transportation for the people, it will give us a national currency as a measure of value, as uniform and unfluctuating as that of the yard stick or pound weight.

Congress should not adjourn, until it has established a Postal Savings Bank, by which the Government should receive on deposit the savings of the people at a low rate of interest, say two and a half per cent., or \$3.65.

Millions of money, which are now lost to the Government for the want of a perfectly safe place of deposit, would be thus loaned to the Government. With these savings of the people the Government could pay off the large bonded indebtedness.

Congress should pass a law, directing the Secretary of the Treasury to use the surplus of the \$150,000,000, to pay as much of the national debt as possible.

Thus the money of the country would flow back into the channels of business and trade, employ labor and fill the land with an industrious, thrifty and happy people.

It would relieve the toiling masses from paying interest on money, wrongly taken from them and converted into a bonded debt. By taking this course it would place the country on the highest pinnacle of prosperity, and would ensure the promotion of the general welfare, to such a degree as would soon make our country a Government, which, by its prosperity and greatness, would be the envy of the surrounding nations of the world.

We should not only secure internal prosperity and tranquility, but we should soon find, that Mexico would be knocking at our door for admittance to enjoy the blessings of so great and so good a Government.

To maintain such a Government, it will be necessary to have such a civil service as would cause the men, holding office, to give to the people evidence, that they are both cap-

able and honest in performing the service, required by the people.

A Government with such a civil service, maintained by all the States, furnishing and selecting one of their best men from each and every State, to form a commission, whose business it would be to select, appoint and watch over the acts and doings of the 100,000 office holders of the country, who were appointed by the general Government of our country, and who are now under the present political management of rings and cliques, mainly appointed to enable interested parties to control this Government of ours in their own particular interest, instead of giving protection to the great mass of people, whom they were appointed to serve.

If Congress, at the present session, would legislate to carry out the suggestions here made, we should have an industrious, happy and prosperous people. There would be plenty of work for all to do, and at good wages; the rights of the laboring classes would be better protected, and capitalists, instead of living on usurious interest, would use their funds to employ labor in developing the inexhaustible resources of our great and growing country.

Even in Christ's time the influence of money had crept into the very Temple, where the money-changers* had their tables, which so greatly aroused the just indignation of the greatest of all Reformers the world ever produced. He saw the importance of making an example of them on the very spot, and gave us the only evidence in His pure life of any temper; for he then "made a scourge of small cords, and drove the money-changers out of the Temple," making good the declaration of Paul, that He was angry without sin.

If our legislators at Washington could but rise now to the emergency and realize, that the Constitution (Article I., Section 8, 5) says: "The Congress shall have power—To coin money, regulate the value thereof," etc. . . . and

* Matt. 21: 12; Mark, 11: 15; John, 2: 15; Paul, Eph., 4: 26.

that the same Constitution has no clause, allowing them to delegate this power—they would imitate the Master, drive the bankers out of the Capitol, as directed by the law of 1793, and carry out Paul's injunction: "Be ye angry, but sin not," by calmly refusing to re-charter banks, *deceitfully called national*, disposed to appropriate the nation's last dollar.

PETER COOPER.

NEW YORK, April 23, 1882.

THE HON. RICHARD WARNER.

MY DEAR SIR: I cannot refrain from offering you my heartfelt thanks for the noble defence you made of the rights and interests of the toiling masses of this great and glorious country,

Yours, with great respect,

PETER COOPER.

WASHINGTON, D.C., April 25, 1882.

HON. PETER COOPER.

DEAR SIR: I received your highly complimentary and well appreciated letter and pamphlet yesterday. Nothing offers me more pleasure than to know, that you were highly pleased with my speech against the re-charter of national banks. It is a source of gratification for me to receive a compliment from one, whom I regard the greatest friend to the people, now in the United States, and an intellect surpassed by none. I hope, if it be within your power, you will send me a number of copies of your pamphlet, containing extracts from my speech, March 30, 1882. I will take great pleasure in circulating them in my Congressional District. Send the price of them and whatever they cost I will remit. With

True respect,

I am your obedient servant,

RICHARD WARNER.

A REVIEW OF COMPTROLLER KNOX'S REPORT.

Comptroller Knox informs us, that there were on the 1st day of October, 1881, 2,132 National Banks in the country, etc. . . .

There were eighty-six new banks organized during the year ending November 1, 1881.

The total resources of these banks amount to \$2,358,387-391, etc., . . . a fund of \$2,037,068,727 in the hands of these bankers, on which they pay an annual tax of a little over \$15,000,000, which is less than the half of one per cent. on the funds in their hands.

And yet the Comptroller, the Secretary of the Treasury, the President, and Congress are attempting to relieve them from a part of the tax they are now paying. A part of the Comptroller's report is devoted to a defence of the National banking system, to an extension of their charters, and to relieving them from taxation. What other class of the community pay so small a tax in proportion to their means, or make so large profits, as the bankers. We know of none, except it be some of the leading railroad corporations.

Between the railroad and the bank corporations, the property, produced by the masses of the people, is being absorbed at a rapid rate. They levy contributions upon the currency and transportation of the products of the country, that absorbs the largest share of the wealth produced, and yet they are taxed the least. But the efforts, being made to remove the tax from bank circulation and deposits, are not because the banks feel the tax oppressive, but because they want all restrictions to the increase of their currency removed. If the tax was removed from their circulation, they could double the volume of their notes, etc. . . .

The Comptroller furnishes figures and attempts to show: "That the profit on bank circulation cannot now at least be said to be excessive."

He is very careful, however, not to mention the source, from which bankers can derive the largest profit, and

wherein lies their greatest power for good or evil; that of increasing and diminishing the volume of money, and by that means inflating and contracting prices. The profits, arising to those engaged in banking business, do not depend entirely upon the dividends, semi-annually declared upon their capital stock. Enormous profits are secured by taking advantage of the increase and decrease of prices of property, which is brought about by inflating and contracting the volume of currency, etc. . . . A systematic war was made by banks upon legal tender notes; and from one to four millions a month were taken from circulation and destroyed, until their volume was reduced from \$450,000,000 to \$356,000,000, when the panic came on. The panic became so disastrous as to threaten the entire prostration of business, and in order to prevent this, President Grant's Administration was compelled to reissue \$26,000,000 of the legal tenders to relieve the pressure.

No sooner was a temporary relief brought about by the reissue of the currency destroyed, than John Sherman secured the passage by Congress of his Resumption Bill, the object of which was to force all the debtors of the country, who had contracted debts, in paper currency, to pay those in gold coin. A bill was passed, demonetizing silver, and to resume specie payments, and by this means legal tender notes were gradually to be destroyed, and bank-notes issued to be put in their places, and all debts made legally payable in gold.

These legislative enactments, by which the debtors of the country were bankrupted and stripped of their money and property, for the benefit of money lenders, were engineered by banks for the purpose of getting rid of Government notes, and to give them the entire control of the volume of currency, thus enabling them to carry on their schemes of inflation and contraction as a perpetual heir-loom to their institutions.

The President, the United States Treasurer, the Comptroller, and other executive officers, and the majority of both Houses of Congress aided these schemes, and the banks, are

now attempting through these parties to secure a re-charter of their corporations, and to perpetuate the public debt in their interests.

The Comptroller goes into an elaborate defence of the National banks in his last report. He becomes a sort of an Attorney for an extension of their charter and to relieve them from taxation, etc. . . .

The banks inserted a clause in the Resumption Act, giving them the power to increase their circulation to more than five times its present volume, or to within ten per cent. of the entire bonded debt, and under existing laws, also, they can retire the entire amount of their circulation at their pleasure. In February, 1881, in order to defeat a bill passed by Congress, depriving them of the power to thus suddenly contract and expand their circulation, they retired about \$18,000,000 of their notes in a few days' time. We all know the disastrous effects caused by that act. Had not the Secretary of the Treasury come to the rescue, and put legal tenders in circulation by the millions in exchange for bonds, wide-spread business disaster would have followed. The business interest of this country must not be left at the mercy of men, who would thus abuse the power, placed in their hands. These banks should be deprived of the power they now hold over the volume of currency.

The facts and figures here given are mainly taken from the reports of the officers of the Government, and, therefore, they cannot be ignored nor set aside by the members of Congress. It will not do either for the present legislators to reject them. The men now in Congress have it in their power to strangle this monopoly, that is sucking the life-blood out of the people. Many of these banks have now about outlived their legal chartered existence, given to them by ignorant and corrupt legislators, and the verdict of the people is—let them die. This Congress should pass an act forever prohibiting the organizing or re-chartering of banks of issue. A general law, authorizing banks of deposit and discount, by which the money of the people shall be made secure, is de-

sirable. But no bank should be allowed to issue currency or to control its volume. Why should the Government create money and give it to rich bankers for nothing? The legal tender notes were issued in exchange for labor and property, given to the Government by the people, who received them. The bankers have given nothing of value to the Government for the \$362,000,000 of currency they have received.

The amendment to Senator Sherman's bill, offered by Senator Plumb, of Kansas, contains some of the best features in reference to the currency and public debt of any bill yet presented, that we have seen. It could be improved by making the coin certificates and notes it provides for issuing, a legal tender for all debts, public and private. Senator Plumb's bill, or one similar, should certainly be passed by this Congress.

As suggested in my letter to Senator Beck, if Congress was to pass a bill to issue \$362,000,000 of legal tender Treasury notes, to take the place of the present bank currency, it could provide the labor and material to build and equip two lines of railroads from the Atlantic to the Pacific ocean, and place fifty first-class iron steamers on the ocean, thus providing cheap transportation both for our national and international commerce; and it would leave the currency in a far better condition than it is now in.

Is the present Congress wise enough to see, appreciate, and inaugurate these great reforms in our currency! We ardently hope and trust, that it is, and will.

The facts and figures here given may be verified by consulting the late reports of Comptroller Knox and Treasurer Gilfillan. They are submitted with the ardent hope, that Congress may see the immeasurable importance of our preventing banks of issue, and of providing a currency of Treasury notes based, as they should be, upon the embodied wealth of the nation, and made receivable for all forms of taxes, duties and debts. Such a currency would be unfluctuating in volume and as uniform in its measuring power as the yard-stick and pound weight.

PETER COOPER.

UNITED STATES COMMITTEE ON AGRICULTURE.

WASHINGTON, D.C., May 8, 1882.

HONORABLE AND DEAR SIR:

Owing to the absence of both myself and Secretary for a protracted period from this city, your kind note of the 18th ult. was not laid before me, until this evening. I recognize the importance of legislation by Congress at its present Session in regard to the currency, and I desire to bring to my consideration of this subject all the light, which intelligent experience in matters of finance can afford; and I, therefore, beg to tender you my thanks for a copy of your review of report of the Comptroller Knox, which shall have my fullest consideration.

Yours very respectfully,

WM. MAHONE.

HONORABLE PETER COOPER,
9 Lexington Avenue,
New York City,
N. Y.

Petition to the Honorable Senate and House of Representatives of the United States.

HONORED GENTLEMEN:

Your petitioner, now in the ninety-second year of his age, respectfully prays, that the present Congress may not adjourn, until they have made the necessary and proper law, requiring, that all banking shall in future be carried on with United States Treasury Notes, receivable for all forms of taxes, duties and debts, both public and private—and that, after the expiration of the charter of our present banks, no paper money shall ever be allowed to circulate in this country in excess of the amount of the people's money, actually found circulating as the currency at the close of the war. For every dollar of that currency the people had given value to the Government, and it should only be increased as

per capita with the increase of the population after every census.

Your petitioner further prays the Honorable Senators and Representatives to examine with care the following reasons, that prompted him to offer this petition :

Impelled as I am by an irresistible desire to do all, that is possible to call and fix the undivided attention of the Government on the appalling scenes of wretchedness and ruin, that would inevitably follow the re-chartering of the 2,300 banks, *deceitfully called national*—I cannot help addressing you on this occasion once more.

Such an army of banks, all united in one common effort to secure for themselves the largest amount of interest on their small specie capital, would find it for their advantage to expand and contract the currency to attain their object.

Only a few weeks ago (March 30, 1882), Hon. Richard Warner, M.C., from Tennessee, proved in Congress, that the banks, deceitfully styled national, have made out of the people the enormous sum of \$1,848,930,000 within the last sixteen years, leaving the national debt, at the present time, nearly as large as it was at the close of our terrible war for the nation's life.

For one, I have the most fearful forebodings of the consequences, that must grow out of a re-charter of these grasping institutions, *which are even litigating to be exempted from local taxes !!* The American people are beginning to realize, that a national debt is *not a blessing, as claimed by selfish monopolists, but a national curse*, which a wise and parental Government should dread as we would a pestilence.

I have lately learned, that a secret organization has grown up in our country, which is known as the Knights of Labor, and that they already number 150,000, and are daily increasing from the strikes, that extend over the States. They are under the guidance of able and talented leaders, who have the wisdom and courage to tell their working brothers what they must do to save themselves and families from the enslavement of a national debt, that enriches monopolists and

non-producers. They caution them against strikes for higher wages, and advise them to continue work and use their money to buy for each organized company a Gatling gun with 150 rounds of ammunition, and three months' provisions for their families; then they may, like honest and prudent men demand, obtain and maintain their "inalienable right to life, liberty, and the pursuit of happiness," as mentioned in the Declaration of Independence.

Such a body of iudustrious men, with such leaders, will not allow idle tramps as members of their order. If our bankers would act wisely and prudently, they would adopt the language of the late John Earl Williams, for many years the honored President of the Metropolitan Bank of New York:

"I would suggest, that Congress assume, at once, the inherent sovereign prerogative of a Government and exercise it, by furnishing all the inhabitants of the United States with a uniform national currency. Surely the people, and the people only, have a natural right to all the advantages, emolument, or income, that may inure from the issue of either \$1,000 bonds with interest, or \$10 notes without, based on the faith and credit of the nation," etc. . . .

In 1813 Jefferson declared: "Bank notes must be suppressed and the circulation restored to the nation, to whom it belongs," etc. . . .

Webster predicted that conditions, which permitted the rapid accumulation of property in the hands of a few, remitting the masses to poverty, would soon destroy free institutions etc. . . .

In spite of warnings, uttered and written by sages, statesmen and financiers from Franklin, Jefferson and Webster to Senator Jones, President John Earl Williams and Treasurer Spinner; in spite of the seven and ten yearly periodic panics, that impoverished our farmers, manufacturers, mechanics and laborers, and enriched the banks and capitalists, Secretary Folger and Comptroller Knox seem now inclined to advise the re-chartering of these banks, *deceitfully called*

national. I wish these two financiers could see as clearly as Treasurer Spinner, before it is too late.

The charter of these banks, *deceitfully styled national*, was granted February 25, 1863, under the pretext of a war measure. In 1864 they circulated but \$31,235,270 of notes, furnished and guaranteed by the United States Treasury; in 1865 they circulated \$145,137,800, which, from that date to 1880, increased to \$343,834,167. On these millions the people's Treasury has paid them interest in gold ever since, while laborers and producers had to take their wages in paper. Thus did the one hundred and twenty bankers, who were members of Congress, manage to legislate for their interests. Now their first charter, being about to expire, they apply for a re-charter in a time of profound peace, when there can be no pretext for a war measure. Such a power in the hands of heartless corporations is not only dangerous to our liberties and persons, but to our daily comforts; because, when they see fit, they contract their circulation and refuse accommodation to manufacturers and employers, who are consequently obliged to stop work and discharge the men and women in their employ, thus causing panics, poverty, misery and ruin. Soon such contraction will reach farms, houses and stocks, which these favored banks and their friends can buy for one-half or one-quarter of their cost; because the honest owners cannot pay the interest and taxes thereon, all of which makes the rich richer and the poor poorer, as happened from 1837 to 1841, from 1847 to 1850, from 1857 to 1863, and from 1873 to 1878—when the laboring and producing classes were impoverished by special legislation, that enabled bankers and monopolists to deceive the people and bribe such as stood in their way. . . .

There was a somewhat plausible reason in 1863 to charter banks, *deceitfully styled national*—this reason was called war measure; but now, 1882, our country and the world are at peace; there is not even a war cloud. Why then re-charter these banks against the letter and spirit of the Constitution, which contains no clause or word, that authorizes

Congress to delegate the money power to any body? Allow me to cite again Senator Jones' emphatic language:

"By interfering with the standards of the country, Congress has led the country away from the realms of prosperity, and thrust it beyond the bounds of safety. To refuse to replace it upon its former vantage ground would be to incur a responsibility and a deserved reproach, greater than that, which men have ever before felt themselves able to bear. We cannot, we dare not, avoid speedy action on the subject. Not only does reason, justice and authority unite in urging us to retrace our steps, but the organic law commands us to do so; and the presence of peril enjoins what the law commands."

May our Congress pass no more laws, giving away immense tracts of land to heartless corporations, thus creating land monopolies, like those that now curse the British Isles—and grant no charters to banks, that can contract and expand the people's medium of exchange at their pleasure;—for such legislation favors the few at the expense of the many, causes discontent among the masses and produces Nihilists, Guiteaus and men, who commit acts, like the one just perpetrated in Dublin, May 7, 1882, which disgraces the civilization of the nineteenth century.

As previously stated, I am now in the ninety-second year of my age, and have the satisfaction of knowing, that I have given to my country the best efforts of a long, laborious life. In the course of my endeavours I have written and printed more than a million of documents, which I have sent to Congress, to the President and members of the Cabinet, and to all parts of our common country.

The burden of my theme has been to show, that the Constitution has made it the imperative duty of Congress to take and hold the entire control of all, that should ever be allowed or used as the money of the nation. If the plan, set forth in a petition to Congress, to the President and his Cabinet on the 14th of December, 1862, in which I showed, that my ideas of finance were based on the opinions of such

men as Franklin, Jefferson, Madison, Calhoun, Webster, etc., whose words and warnings I quoted, as I do in this document—had been adopted, the Government would have all the means it wanted in Treasury notes, and we should not have an enormous bonded debt in 1882.

Most respectfully,

PETER COOPER.

PETER COOPER'S PROTEST AGAINST THE NATIONAL BANKS,
AS QUOTED IN "NEW YORK HERALD," MAY 10, 1882.

The venerable Peter Cooper has sent a petition to the Senate and House of Representatives praying, that the present Congress may not adjourn, until it "has made the necessary and proper law requiring, that all banking shall in future be carried on with United States Treasury notes, receivable for all forms of taxes, duties and debts, both public and private, and that after the expiration of the charter of our present banks, no paper money shall ever be allowed to circulate in this country in excess of the amount of the people's money, actually found circulating as the currency at the close of the war. For every dollar of that currency the people had given value to the Government, and it should only be increased as *per capita* with the increase of the population after every census."

Mr. Cooper in support of his prayer against the rechartering of the 2,200 banks, "deceitfully called national, all united in one common effort to secure for themselves the largest amount of interest on their small specie capital, and who find it for their advantage to expand and contract the currency to attain their object," quotes a vast number of authorities. He suggests, that Congress should assume at once the inherent sovereign prerogative of a Government and exercise it by furnishing all the inhabitants of the United States with a uniform national currency. In fact to substitute the United States notes for bank notes, and take away as soon as possible and forever all circulation from

banks. By this means their occupation would not be gone. Mr. Cooper points out, that they would still be in a position to do a strictly legitimate business as banks of account and deposit, and asserts that the laws, which created them are also fully competent to abolish them. This principle, simple, clear and undeniable, says Mr. Cooper, ought to be recognized as fundamental, and the only safe and proper basis, on which may securely rest all the circulating medium of the country, for the sole benefit of all the people, and not as now, for the profit of a class of stockholders, however deserving they may be in all other respects. Franklin, Jefferson, Madison, Jackson, Calhoun and Webster are next cited by Mr. Cooper as being in favor of paper money, founded upon the credit of the Government and its resources, etc. . . .*

OPEN LETTER TO THE MEMBERS OF THE BANKERS' CONVENTION,
AT SARATOGA, AUGUST 17, 1882.

GENTLEMEN: A long life has compelled me to believe, that Christianity, as Christ taught it, presents to the world the true science for the guidance of all National Governments, and of all individual lives. There is no command more clear, plain and self-evident than the one, which declares, that "all things whatsoever ye would, that men should do unto you, do ye even so unto them." This command applies to every act and every condition in life. All men are made to feel, how they would like others to do unto them, and that feeling should form the true measure of duty we owe to those around us.

Science is a rule or law of God, by which the movements of the material creation are rendered intelligible to man; science itself is nothing more nor less than a knowledge of this law or rule, actually demonstrated by the experience of mankind. Believing this, I have given the labors of a long life to the advancement and diffusion of scientific knowledge,

* The *Herald* quoted nearly the whole petition.

feeling assured that, when Christianity itself is felt in all its purity, power and force; when it is relieved of all its creeds and systems of human device, it will then be found to be a simple system—a science or rule of life, to guide and regulate the actions of mankind.

Mankind, throughout the world, requires a complete science of immortality—one founded on the highest conceivable idea, that a human mind can form of all that is powerful, wise, pure and good.

The world requires a science, based on that which may be known and clearly seen throughout all the unfolding leaves of creation; one that can be known and read of all men, by that true light “given to enlighten every man, that cometh into the world.”

Science is the lamp in the world's path to light the way to all those wondrous treasures, stored up in Nature; to reward the head and hand of patient industry and toil.

It is now in the power of those, who favor the present system of National Banks to carry out this principle by adopting a plan, that will secure for themselves as a body of bankers, for our country, and for the world the greatest blessing, that ever fell to the lot of man since the world began.

To secure this greatest of all blessings, it is only necessary for the National Bankers to unite and ask Congress to give back to the people the amount of legal tender notes, that were in circulation at the close of the war, and which formed the nation's currency. This money was wrongfully taken from the people; for it must not be forgotten, that they had given labor and property for every dollar of that money.

When the attempt was made in the Senate to take that money from its rightful owners, and to convert the same into a National debt, Senator Sherman characterized that act for contracting the currency, as an act of folly without a parallel in ancient or modern times. His whole speech made at that time was intended to show, that a nation's currency could not be contracted without bringing ruin to the

debtors and the laboring classes throughout our country. He declared in the Senate in 1869, before he had been tempted above what he was able to bear, that—

“The appreciation of the currency is a far more distressing operation than Senators supposed. It is not possible to take this voyage without the sorest distress to every person, except a capitalist out of debt, or a salaried officer, or an annuitant. It is a period of loss, danger, lassitude of trade, fall of wages, suspension of enterprise, bankruptcy and disaster. To every railroad it is an addition of one-third to the burden of its debts, and more than that deduction to the value of stock. . . . It means that the ruin of all dealers, whose debts become twice their (business) capital, though one-third less than their actual property. It means the fall of all agricultural productions without any great reduction of taxes. What prudent man would dare to build a house, a railroad, a factory, or a barn, with the certain fact before him, that the greenbacks he puts into his improvement, will in two years, be worth thirty-five per cent. more than his improvement is worth? . . . When that day comes, all enterprise will be suspended, every bank will have contracted its currency to the lowest limit, and the debtor compelled to meet in coin a debt contracted in currency; he will find the coin hoarded in the Treasury, no adequate representation of coin in circulation, his property shrunk, not only to the extent of the appreciation of the currency, but still more by the artificial scarcity, made by the holders of gold.”

And yet Senator Sherman subsequently was the author of the act to resume specie payments, which authorized the contraction of the legal tenders from \$382,000,000 down to \$300,000,000; and under that act the legal tenders were reduced to \$336,000,000, and the very disasters he had predicted, would follow such contraction of currency, were brought upon the people; and those disasters were only partially arrested by the Act of May, 1878, to stop any further destruction of the people's money.

This act of Senator Sherman's wrought a ruin like that,

which was brought upon England by its efforts to resume specie payments after a suspension of twenty-five years. This effort to resume specie payments, by contracting the currency, brought upon England such ruin, that at least five-sixths of the real estate of that country passed into the possession of a few moneyed men, who bought the estates at a small part of their former value. Sir Archibald Alison, in his "History of England," says, the suffering produced in England by the act of contraction was greater, than had ever been occasioned in England by earthquakes, all the wars, pestilence and famine she had been compelled to endure; and he expressed the hope, that our Government would not be so unwise, as to adopt a similar policy to obtain specie payments.

Some time ago a law was passed by the House of Representatives to continue the people's money, then found in circulation, as the permanent legal measure of all values for our whole country for all coming time. When the news of the passage of that law was sent over the telegraph wires, it brought an acclamation of joy and gladness from all parts of the country. When the bankers received this news, they, by their committees, came down on Congress and brought such influences to bear on members, as proved sufficient to defeat a law, that would have saved some ten thousand millions of property from passing out of the hands of those, who had earned it, into the hands of those, who had money enough to buy up the wrecks of ruined fortunes, resulting from the contraction of a nation's currency.

The great mass of the people are coming to see and know, that the Constitution makes the most ample provision for supplying every want of the Government, as it declares in the most unmistakable language, that "Congress shall have power to levy and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defence and the general welfare of these United States. But all duties, imposts, and excises shall be uniform throughout the United States."

When our late war began, calls for loans were made in strict conformity with the requirements of the Constitution, in the shape of Treasury notes, made receivable for taxes, duties and debts, and fundable at an interest of five or six per cent. Those loans were promptly taken, as soon as offered, and more money was offered than could be taken under the call. The duty of Secretary Chase was plain and positive, etc. . . .

If Secretary Chase had not, at that time, been afflicted with the Presidential malaria he would have found no difficulty in understanding Thomas Jefferson's plain, common-sense directions. It would have saved for our country one-half the expense of the late war, and would have saved Secretary Chase from the mortification of saying, that his efforts to establish a system of national banks was the great mistake of his life.

President Grant, in his first message to Congress, says he found the currency the best our country had ever possessed ; and there was no more in circulation than was needed for the dullest period of the year."

President Garfield makes the following declaration :

"Whoever controls the volume of currency, is absolute master of the industry and commerce of the country," etc. .

Nearly all the great statesmen and financiers of our own and foreign countries have, in the most decided manner, given their opinion in favor of the issue of Treasury notes, as the best means to meet the wants of the Government and people, etc. . . .

Our national Constitution holds every member of the Government bound under the solemnity of his oath of office to make his every legislative act an effort, or intent to establish justice, as that is the only possible means, by which domestic tranquility can be secured, provision made for the common defence, the general welfare promoted and the blessings of liberty secured for ourselves and our posterity, etc.

I became convinced by what I have seen, that all trade must continue to be a kind of game of chance, so long as

the business of the country is allowed to depend on banks, that promise to pay specie on demand. The same causes, that have produced periodical panics in the past, will bring them in the future, unless prevented by a national currency, over which our Government can exercise entire control. I determined, then and there, that it would never be safe for me to allow my business to depend on notes, discounted at banks, which, to save themselves, are often compelled to ruin their customers. I saw that, even with a good man at the head of such a bank of issue with its branches in every State, it would be in the future as in the past, one of the grandest contrivances to demoralize a nation.

Banks of issue have it in their power to make money plenty, by loaning to the community an extra amount of paper money, which will cause all property to rise in price and the withdrawal of that extra amount of money from the wants of trade, will as certainly cause all the property of a country to fall in value, as it did when the bankers of our own country persuaded our Government to contract our national currency to about half of its volume, in order (a ridiculous pretence) to strengthen the credit of our country. Our Government has put in the place of the currency burned, a national debt, which must ever hang as a millstone about the neck of the toiling masses, and on which the laboring classes have already paid in gold interest an amount about equal to the original debt, and which interest they are expected to go on paying for years, and then, at last, to pay the principal.

This unjust course of legislation has driven millions of laboring men into a condition of enslavement to the payment of the national debt, which must be paid out of the proceeds of labor, etc. . . .

Webster predicted, that conditions which permitted the rapid accumulation of property in the hands of a few, remitting the masses to poverty, would soon destroy free institutions.

I do most sincerely hope and trust, that the united opinions

of so many of the greatest and best men our country has ever produced, will be sufficient to prevail on all owners of national banks to confine their business in the future to discounting and receiving deposits, instead of depending on a dangerous power, which our Constitution has vested in Congress. Remember Jefferson firmly declared that "bank paper must be suppressed, and the currency of the country must be restored to the Government, to whom it properly belongs."

I think bankers will voluntarily adopt the advice of Jefferson and thus secure to all the greatest blessing, that ever fell to the lot of man, and ward off those terrible evils, that are sure to follow our present system, as effects are sure to follow the causes, which produce them.

Mankind as individuals, communities, States or nations will only improve and better their condition, just in proportion, as they come to see, know and understand, that what a man soweth, that must he also reap somewhere, somehow and at sometime, by the operation of laws so wise and so good, that they will never require to be altered, amended or revoked. There may at some future day be a whirlwind precipitated upon the moneyed men of this country, if they do not deal justly.

Pertinent to this subject are the following words of Rev. Henry Ward Beecher:—

"Here at present is the strife going on between employer and employed, between labor and capital—the former demanding a portion of that, which it has helped to create. We hear already the suggestions of the devil inspiring men, who are poor to hate the men, who are rich, and society is beginning to torment itself as to the consequences. Now, if the rich men are wise they will lay aside at once this devilish idea, that they can swell before the community in vast array and not attach themselves to the humblest of the community. If the rich men by and by are overwhelmed it will be their own fault. The most dangerous thing they can do, is to separate themselves from the

masses. If there be any class of men, that are bound to go down and ally themselves to the poor with full hands and full hearts, it is the men in this community, who have property. It may not be done now, but there is a storm in the sky, and if by and by there should come revolution, massacre and misrule, it is because the spirit of the Gospel has been set at naught by the men, who had the power in their own hands. It will not do for a man to say, 'I sympathize with my poor brethren.' What do the poorer brethren think about it? Between the horse and the man, who holds the whip is a wide difference, and the horse is the best judge of how the whip feels. In society the men, who have got hold of the handle, are not as good judges as the men, who feel the lash. In England there is an autocracy established by law, and years of experience have taught the titled class, that they have duties and responsibilities as well as wealth and position. In America we have no aristocrats except those, who have sprung up in a night—as toadstools do in the dung-hill. Nothing will save us from the contest of different classes of society, except that personal humanity and personal sympathy, which shall unite the top and the bottom of society; and you must not carry up the top of society any faster, than you carry up the bottom. You must not say 'We will educate our children, but not the children of the poor;' In our day, let us be wise beforehand. I will close with some words of Ruskin, who is eminently wise, when he is not eminently foolish. He said to his class, 'Break bread often with the common people.'"

In order that we may realize the greatest possible good for all it is only necessary, that our Government should give us an unfluctuating measure of all values; with a Postal Savings Bank, that will receive all unoccupied money, at an interest of two and a half per cent.; provide cheap transportation for all products of our country; a complete civil service; and a tariff of duties, sufficient to meet the wants of our economical Government; thus relieving our country

from all forms of internal taxes for the support of our Government.

All our financial legislation has been calculated to build up and maintain a union of more than two thousand National Banks, for banks are a unit in their endeavor to obtain for the use of their money the largest amount, that the laws will allow them to receive.

The persons, having charge of the banks will always be on the alert to get their powers enlarged by legislative enactments, though I am compelled to hope, that the day will come, when the bankers themselves will do themselves everlasting honor by asking Congress to expunge all those unjust financial laws from the statute books of our country, as a disgrace to the civilization of the age.

The first of the laws passed for the preservation of our nation's life was for the issue of Treasury notes, that were made a legal tender and convertible at the pleasure of the holder, into five and six per cent. bonds. These notes were always as valuable as gold, until the bankers persuaded a majority of Congress to pass an act, that took away from the legal money its power to pay duties on imports and interest on bonds. This was an invalidating act and clearly at variance with both the spirit and the letter of the Constitution.

FINANCE CATECHISM.

(From the Daily Express.)

“REPUBLICAN.—Why do the Greenbackers or Nationals oppose the national banking system ?

NATIONAL.—Because it is unjust to the people.

REPUBLICAN.—But will you make it plain, so that all can see it as you do ?

NATIONAL.—We will try. Let us go into the bank across the street and prove it by the banker himself.

NATIONAL.—Mr. Banker, how much money did you loan to the Government ?

BANKER.—One million dollars, sir.

NATIONAL.—What security did you take for the loan ?

BANKER.—I took the Government's bond payable in twenty years, drawing six per cent., gold interest.

NATIONAL.—Do you still hold that bond?

BANKER.—No; I pawned it to the Government, and received on it \$900,000 of currency.

NATIONAL.—What did you do with the \$900,000 of currency?

BANKER.—I paid it out to the people for property.

NATIONAL.—What security have the people, that the money you paid them is good?

BANKER.—My bond is on deposit as collateral for its final redemption by the Government.

NATIONAL.—Then you have parted with nine-tenths of your claim against the Government by passing it over to the people in exchange for their property? Or, in other words, the people have refunded to you ninety per cent. of your loan to the Government, and taken a lien on your bond?

BANKER.—Yes.

NATIONAL.—Do the people draw from the Government nine-tenths, or their proportion of the interest on the bond?

BANKER.—Oh, no, I still continue to draw the entire interest, without being taxed; while the people, who own nine-tenths of the claim, draw no interest, and are taxed to pay mine.

NATIONAL.—Then really the Government owes you but \$100,000 of the million, you having transferred \$900,000 of the claim to the people, and at the same time the latter are taxed to pay you interest on the whole?

BANKER.—Those are about the facts under the law.

NATIONAL.—To what extent does the law allow you, bankers, to carry this system of speculation?

BANKER.—We are not limited by law. We can carry it to the extent of the bonded debt of the nation. It is one of the nicest schemes ever invented. It is like a ratchet wheel; it takes all and gives nothing. The whole people are taxed to pay us interest on what they do not owe, while we are exempt even from our own burdens.

NATIONAL.—Do you expect to hypothecate more of your bonds for currency and transfer them to the people for property ?

BANKER.—Yes, as soon as we can get the infernal greenbacks out of competition, and property values are depreciated enough to enable us to rope in three dollars worth for one of our currency. This we intended to do, when we got a clause inserted in the Redemption Act to allow us to inflate our bank currency without limit.

NATIONAL.—What amount of bonds do you now hold, which you are at liberty to put up for bank currency ?

BANKER.—Nearly ten thousand million dollars, with what we already have up.

NATIONAL.—By handling the \$2,000,000,000 of bonds and the nine-tenths or \$1,800,000,000 of currency, as you did your million dollars and \$900,000 of currency, what would be the result, financially, of your investment ?

BANKER.—The result will be, we shall carry but one-tenth, or two hundred millions of the public debt, while drawing interest on the whole. The people will carry nine-tenths of the burden, draw no interest, but have the privilege of paying ours.

NATIONAL.—How much will your annual interest amount to ?

BANKER.—About one hundred million.

NATIONAL.—What do the taxpayers get in return ?

BANKER.—Nothing.

NATIONAL.—Then you contracted to extend a certain favor to the Government, for which you were to receive \$100,000,000 in gold per year, from the people. But through the agency of your national banking machinery, you are enabled to make the people perform nine-tenths of your contract, while you receive the entire reward. Is not this a most outrageous robbery—a swindle upon the people ?

BANKER.—(John G. Deshler, President Franklin National Bank, Columbus, Ohio).—If the people are such d——d fools, as to vote for men to put saddles on their backs, spurs

on my boots, and then invite me to ride, I am not going on foot. If it is robbery, the people, who sustain the party, that authorized the robbery, are to blame and not the robbers."

If this is not an overdrawn picture of our present system of banks, *deceitfully called national*, I would most sincerely implore the owners of these banks to ward off such a train of evils, as fell to the lot of Belshazzar, as a consequence of his not taking the advice of his prophet Daniel, when he said, "O king, let my counsel be acceptable unto thee, and break off thy sins by righteousness, and thine iniquities by showing mercy to the poor." By not availing yourselves of the law, passed by a corrupt Congress, you will save yourselves and your country from the disasters indicated by the handwriting on the wall!

Bastiat, the French political economist, uttered a great truth, when he said :

"When a Government fails in its duty to organize and execute Constitutional laws, such a failure opens the door for the introduction of all forms of corruption and plunder, and plundering will go on just as long as plundering is allowed to be a profitable business."

It is time, that we made plundering unprofitable; and I hope I shall be so fortunate as to convince the owners of National Banks, that this is their great opportunity to secure to themselves, to our country, and to the world, one of the greatest blessings, that ever fell to the lot of man.

If this should come to pass, I should be able to say with one of old: "Now, O, Lord, let thy servant depart in peace; for mine eyes have seen thy salvation."

PETER COOPER.

NEW YORK, June, 1883.

HON. A. A. HARDENBERG, M. C.

DEAR SIR: I received your kind letter of May 24, with pleasure, seeing that your speech was misreported, as the term "infamous" does not occur in it. Honest difference on any subject is fair, whereas personal abuse is unfair.

Throughout your discourse you speak of the danger of withdrawing bank reserves, amounting to \$128,000,000, if the banks are not re-chartered; but you seem to overlook, that Congress alone has power to replace this amount by legal tender Treasury notes, a power, which it cannot delegate.

Page 5, you say: "My position is simply this: if you compel these banks to divide up all their reserves, you will thereby force a contraction of the currency to the extent of \$128,000,000, which no greenback theory can provide against. And the men, who are now struggling to make a living for themselves and their families with their wages of a dollar and a half or two dollars a day, will be presenting themselves before you here, as they did during the years of 1877 and 1878, in their meetings every night about your Capitol, demanding some protection, demanding that some action be taken by you, that would furnish them with bread or with labor."

In my humble opinion, legal tender Treasury notes would amply provide against the dividing up of all the bank reserves.

In your speech you do not tell these "struggling men," that their parental Government is paying four per cent. interest in gold on \$343,834,000, circulated by 2,200 banks, which ask now to be rechartered for twenty years longer. You do not tell them, that the interest on this sum amounts to \$13,753,360 per year, and \$275,067,200 in twenty years, besides the cost of keeping the deposits, besides liquidating the banks, that fail through mismanagement, and beside the lost and mutilated bills during twenty years, all of which belong to the people, and cannot be given away by Congress without violating the Constitution.

You observe, page 6: "First educate the people, not to communism, not to socialism, but to the principles of Democracy and of a pure Government."

I think it will be difficult to educate the American people of 1882 to perceive "principles of Democracy and of a pure Government" in a Congress, that legislates \$275,067,200 in

favor of 2,200 banks, managed by non-producers, at the expense of toiling producers, who must ultimately pay this enormous sum in direct and indirect taxation.

The people are realizing the flagrant errors of such legislation. They begin to know, that Congress alone has the power to save this money by passing a law, authorizing the issue of legal tender Treasury notes, based on the property of the nation, which must be ever preferable to any banking corporations. What can, what will, what must they think and say of representatives, who thus legislate away hundreds of millions in favor of a few rich non-producers at the expense of the toiling masses?

No wonder, you find (as you say page 2) these words about the national banking system, uttered by Mr. Burrows, of Missouri: "It is one of the most wicked, defenceless, inexcusable, flagrant cases of a popular swindle, that ever came before Congress, not excepting the land-grant, Credit Mobilier, granite contract, river and harbor, whisky bill, or other swindles, that have disgraced the congressional legislation of the past, or threaten it at the present moment." This is consoling, showing, as it does, that the people have still representatives, who dare protest and say their souls are their own.

I can see no reason why Congress should not do the business intrusted to them by the Constitution, which declares: "Congress shall have power to coin money, and regulate the value thereof." I have looked in vain for a word or clause, allowing Congress to delegate this power to any corporation, either within or without Congress. If they can delegate the power to issue money to banking corporations, they can delegate the power to regulate commerce between the States to railroad corporations.

You say, page 6:—"If I had my own way I would fund the \$246,000,000 of legal tender now afloat. I remember when meetings were held here and members of Congress were called out to give their opinions and a clamor was raised for the legal tenders, which had been retired, to be

reissued. Congress then voted, that the Secretary of the Treasury should reissue these legal tenders, and they are now afloat among the people to-day." Yes, legislate to fund these legal tenders now afloat among the people, and pay capitalists and bankers even as low as three per cent. interest in gold, and it will amount to the modic sum of \$10,380,000 per year. While they are afloat they cost nothing, bear no interest; and the lost and mutilated bills are clear profit to the nation. Yet, against the popular clamor, against the decision of Congress, and against the spirit and letter of the Constitution, you would even now fund them, if you had your own way. All I can say is, you must have great confidence in your individual judgment. Your funding of these legal tenders, now in the hands of the people, costing nothing, would be like funding the \$60,000,000 of small paper currency of five, ten, twenty-five and fifty cent. bills, so portable and so convenient to enclose in letters, that the people preferred them to copper, nickel and even silver; but they were withdrawn from circulation and turned into a national debt, bearing from six and four per cent. interest in gold, amounting to \$3,600,000 at six per cent. per year, and to \$2,400,000 at four per cent. per year. Ten millions of that small paper currency amounting to sixteen per cent. have not come in, and may be considered as lost. Had they been issued by the banks, they would have this sum instead of the nation. To allow the loss and mutilation of the \$342,834,000, now circulated by the banks, is a legislative favoritism not dreamed of by the people, who must be educated to realize such unfortunate legislation. Even at one per cent. it amounts to \$68,766,800 in twenty years. Such has been our financial legislation since the close of the late war, and such it now is, if these banks are re-chartered.

Page 2, you have this tender effusion concerning me (no wonder your friends applauded you):

"Why, sir, it was but two days ago, in my morning mail, came a letter signed by generous-hearted Peter Cooper, of

New York, a man ninety-two years of age, a man who has been known, honored, and trusted by the American people; whose whole life has been one of benevolence, piety, and justice, and now in his declining years, when the shadows of the next world are gathering thick around him, and when his mind cannot be in the course of Nature as clear and bright and strong as it was, indorses doctrines the most unwise in our financial history. His name is too honored in our history to permit the foundations of a proper conservatism to be swept away. In that pamphlet, to which I have referred is quoted a suggestion, which I venture to assert few of you would be willing to give countenance, and I am quite sure Mr. Cooper does not. What is that doctrine? Read it, Representatives of the people, and you will understand it better. You will see that, instead of strikes against labor, suggestions are made to men to save three months of their wages to buy Gatling-guns, and three months of provisions, to crush out monopolies of whatever kind. And this, Mr. Speaker, in a representative Government of the American people. Crush where you can monopolized power, but let it be done by proper process of law. Why, Sir, what can there be behind all this crusade upon the national banks? Men are tender in their utterances about it, as if they were afraid to speak their minds. I believe in educating the people and in elevating them to a full knowledge of these great questions rather than pander to sentiments born of hasty and unreasoning prejudice." [Applause.]

Though I am in my ninety-second year and "shadows of the next world are gathering thick around" me, I can perceive in your speech this contradiction: You speak feelingly of the distress, that would result to the laboring men from dividing up all the bank reserves, which would "force a contraction of the currency to the extent of \$128,000,000." Next you declare: "If you had your own way, you would fund the \$346,000,000 of legal tender now afloat." In the heat of debate you probably did not realize that, in doing

so, you would "force a contraction of the currency to the extent of" \$346,000,000, which would be more than double the amount of the bank reserves, amounting to but \$128,000,000. In spite of my age and the clouds around me, I perceive a difference between \$346,000,000 and \$128,000,000, although the former are legal tender and the latter bank reserves. To me contraction is contraction, whether it assumes the shape of funding legal tender or dividing up bank reserves. I also perceive a decided difference between \$346,000,000 of legal tender and \$343,834,000 of bank bills, inasmuch as the former cost the people nothing but the issuing, whereas the latter cost the people \$13,753,360 per year, and \$275,067,200 in twenty years. Hence there are 275,067,200 reasons for keeping "*the legal tender afloat*," and for not re-chartering the banks, whose bills may at any time be replaced by legal tender Treasury notes, saving the nation \$13,753,360 a year, and \$275,067,200 in twenty years, besides the cost of keeping bank deposits, liquidating badly managed banks, and lost and mutilated bills, which should ever belong to the nation.

At the close of the war, Congress should have allowed the full amount of paper currency to circulate; because the people had furnished value for every dollar; and it should not have been augmented, except *per capita*, with the increase of population. As the bank charter is now expiring, their currency should be replaced by legal tender Treasury notes.

In your letter you allude to "*doctrines the most unwise in our financial history*." These same doctrines are fully stated herein. I am ready to leave these doctrines to the decision of my countrymen. Next you refer to "*a suggestion quoted*" in my "*pamphlet*," and invite "*representatives of the people*" to "*read that doctrine*." In my pamphlet and petition I state what I found in the Press, and express my opinions, which are based on quotations from the Declaration of Independence, adopted by the world as a catechism for Republican forms of Government. If that is

wrong, I am wrong. I state stubborn facts ; for strikes have been, and are spreading all over the country as forerunners of revolution ; if Congress does not heed them, I pity its members ; for the trouble will ultimately be attributed to them, especially when the suffering masses realize the wholesale class legislation, that has been, and is going on since the close of our late war. We have no Czar, no Sultan, no king ; the people will look to Congress for redress of their grievances.

You state in your speech, that "the men, who are now struggling to make a living for themselves and their families with their wages of a dollar and a half or two dollars a day, will be presenting themselves, etc., as they did during the years of 1877 and 1878, in their meetings every night about your Capitol, demanding some protection ; demanding, that some action be taken by you, that would furnish them with bread or with labor."

For such reiterated grievances the Declaration of Independence has this bold statement : "All experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms, to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such Government, and to provide new guards for their future security."

I consider the persistent class legislation of Congress since the war, a worse despotism than that of Great Britain before the Revolution ; because it reduces the laboring classes to periodic distress and starvation, that are worse than any despotism ever was ; for monopolizing corporations, whether in the shape of banks or railroads, have no soul.

In my pamphlet and petition I point out those grievances. I am sorry you do not like them. I know they have been, are, and will be adopted by independent and unprejudiced persons.

I always have been, am, and ever shall be with the poor toilers and producers; therefore I desire Congress to legislate for the poor as well as for the rich, who can take care of themselves. I think, if you considered my side of the question carefully, you would change your opinions concerning legal tender Treasury notes and bank circulation.

At the close of the war the House of Representatives passed an act, declaring that the people's money, then found in circulation as the Nation's currency, should be and remain the people's legal measure of all values, and should only be increased, as *per capita*, with the increase of the inhabitants of our country.

Such a currency was passed by a vote in the House, and was only prevented from becoming the permanent legal money of our country by the combined influence of the banks and bankers of our own and other countries.

All must see, that such a law would have secured to our country a currency as uniform in its purchasing power as the yard, pound weight, and bushel measure, etc. . . .

I might here quote Rev. Henry Ward Beecher's sermon, which would show, that I am not alone in foreboding the evils that will be brought on our country by a persistent course of financial class legislation.

Sir, by it you might realize, that thoughtful men are anxious concerning our country's welfare; hence let the people's Representatives now assembled in Congress be up to the emergency, and enact laws, tending to conciliate employers and employed, rich and poor—laws, that will diminish the burden of taxpayers. First and foremost among such laws should be a refusal to pay interest on the \$343,834,000 bank deposits, and replace them by legal tender Treasury notes, thus saving \$13,753,360 per year. Next, use the \$150,000,000 now in the Treasury to cancel a part of our enormous interest-bearing debt; this, at four per cent. interest, will save \$6,000,000 per year. While in the Treasury, it is a temptation to corruption and bribery, no matter what party has the handling thereof, whether Demo-

cratic, Republican, Independent, or Greenback. Lead us not into temptation should be the motto. Men, who have loose money, are inclined to spend or become misers.

These two items would be a yearly saving of \$20,000,000, which employers and employed would soon feel. Surely, Congress might discover other leakages, and arrest them by just and economic legislation. When this is done, let Congress exhort the employers and strikers to adjust their differences on the promise of better times. I myself, as an employer, and friend of the employed, think matters might be so arranged as to suit all interests, if those who are now striking for higher wages could but know the struggles, that many of their employers are compelled to make, in order to be sure to be able to pay their men, and leave something on their balance-sheet to compensate them for their labor and the risks, which all employers are obliged to meet. When laborers take their employers' risk and troubles into consideration, they will rather pity their employers than to throw unnecessary difficulties in their way.

Perhaps the greatest danger, that threatens our free institutions, is, that the strikers will allow themselves to be used by unscrupulous politicians, who will lead them and their country to destruction; labor suspensions should be few and far between; for they create idleness, which soon conducts to corruption, drunkenness, and vice. To contend for an *eight-hour system* of labor is a sad mistake. I, as a working man, claimed it as my privilege to spend ten and twelve hours per day in bodily and mental efforts to elevate the condition of those, who have nothing to sell but their labor. Had I not done so, I should not have been able to found the Cooper Institute.

If men would for a moment consider, that an eight, instead of a ten-hour system, would diminish production of every kind one fifth, or twenty per cent., and increase the price of the necessaries of life in the same ratio, they would stop thinking of *eight hours work* per day; for they would realize, that a bushel of potatoes, costing \$1 under a ten-hour

system, would sell at \$1.20 under an eight-hour system ; so would a suit of clothes, costing \$20 under a ten-hour system, sell for \$24 under an eight-hour system ; so would a dwelling, renting for \$25 per month under a ten-hour system, rent for \$30 under an eight-hour system. We might multiply examples ; but these will suffice. Such theories are attractive to shallow thinkers ; but they only tend to disturb social order and aggravate the condition of honest laborers and mechanics, without benefiting either employers or employed, who must ultimately meet and settle matters, after much ill-feeling, loss of time and production.

As you are President of a bank, you will allow me to add here the following suggestions from John Earl Williams, President of the Metropolitan Bank of this city :

“I would suggest : That Congress assume, at once, the inherent sovereign prerogative of a Government, and exercise it by furnishing all the inhabitants of the United States with a uniform national currency. Surely the people, and the people only, have a natural right to all the advantages, emolument, or income that may inure from the issue of either \$1,000 bonds with interest, or \$10 notes without, based on the faith and credit of the nation !”

I remain, yours faithfully,

PETER COOPER.

Hon. A. A. Hardenbergh, M.C.

After giving my own efforts in favor of a *strictly national currency* and against *monopolies*, I cannot help adding some of the efforts of statesmen, divines, journalists and financiers, who warn the people of the dangers, that threaten our country.

Letter from Mr. Calhoun to a committee, who had invited him to a public dinner, in South Carolina :

“FORT HILL, September 6, 1838.

GENTLEMEN : I have been honored by your note of 27th of August, inviting me to participate in a dinner to be given

to your Senators and the members of your delegation in Congress, who have concurred with them on the great and agitating question of the day.

The great distance and my engagements compel me reluctantly to decline your kind and flattering invitation.

It is difficult to over-estimate the importance of the great measure, which now engrosses the public attention; and those, who hold it up, as a question of small magnitude, while they denounce it and all, who support it, in the most unmeasured and bitter terms, act neither sincerely nor honestly. In whatever light it may be viewed, it is a question of the first magnitude; even more so in its political and moral bearings, than its fiscal and commercial—the light in which it has been principally regarded. I feel that I hazard nothing in asserting, that the banking system, through its connection with the Government, is affecting, and if not arrested, will affect one of the greatest revolutions in the political and moral condition of the world, of which history has left any record; and, let me add, one of the most pernicious. If permitted to progress, it will elevate the money power above all others—above thrones and principalities, laws and constitutions. It has already acquired in our country an almost unlimited control over the fortunes of individuals and the business of the community. By granting or withholding favors; by expanding or contracting the currency, fortunes are made or lost, and the whole business of the community, through every channel or industry is made to prosper or decay. Neither good nor bad seasons, neither the smiles nor the frowns of Providence, exercise a more controlling influence for good or evil, over the fortunes of individuals or the community. It is in vain, that the bounty of heaven shall bless the land with seasons of plenty and health, a sudden contraction, or a suspension of payment spreads ruin and desolation around, and plunges into poverty thousands, who, but a moment before, believed themselves to be independent, and in affluent circumstances.

No one, who has observed the operations of the last twenty

years, can doubt the truth of this picture, and that the power, as great as it now is, has not reached the maximum of its increase. Now I would ask, is there a man so blind, as not to see the debasing consequences, which must follow, morally and politically, by thus elevating the money above all other powers in this State, and giving it such overwhelming control? Can it be done, without debasing the noble and independent spirit, which created our free institutions, and without which it is impossible to maintain them? Can it be done without spreading over the land one all-absorbing spirit of gain, which shall extinguish all the more elevated feelings of our nature, and raise him, who may dispense the favors of banks, in public estimation, over the philosopher, the statesman, the divine, the patriot, the warrior, or those engaged in the active and productive pursuits of society? Can this be done without inverting the order of the moral world, and bringing down in the end, on the people, who may have the folly and the weakness to permit it, unheard of calamities?

To guard against these, it is clear, that something must be done to prevent mere private corporations from exercising such unlimited control over the currency of the country, and, through it, the fortunes of individuals and the community. To effect this I can imagine no measure more simple, effectual and practicable, than the entire and final divorce of the unholy and unconstitutional connection between Government and Bank—the great measure of deliverance and liberty, as happily expressed by the able and patriotic statesman (General Gordon), who will have the lasting honor of having first proposed it in Congress. This once adopted, the whole system may be gradually and safely reformed, as experience and reflection may point out, and the country saved from unnumbered woes.

Permit me in conclusion to offer the following sentiment:

The great and leading measure of the age—It rests upon the imperishable foundation of truth, and though it may be

defeated at first, its final triumph, if supported with energy and perseverance, is certain.

With great respect, I am, etc.

J. C. CALHOUN.

Calvin Graves, Esq., and others of the Committee."

Mr. Chase in a report said :

"It has been well questioned by the most eminent statesmen, whether a currency of bank notes, issued by local institutions under State laws, is not, in fact, prohibited by the National Constitution. Such emissions certainly fall within the spirit, if not within the letter, of the constitutional prohibition of the emission of bills of credit by the States, and of the making by them of anything, except gold and silver coin, a legal tender in payment of debts."

However this may be, it is too clear to be reasonably disputed, that Congress, under its constitutional powers to lay taxes, to regulate commerce and the value of coin, possesses ample authority to control the credit circulation, which enters so largely into the transactions of commerce and affects in so many ways the value of coin. In the judgment of the Secretary, the time has arrived, when Congress should exercise this authority.

And years later, the Hon. E. G. Spaulding, although a National Bank President, branded in his "Financial History of the War," (page 188) the bank issue as "an inflation of the currency"—and therefore, not only useless, but mischievous.

John Earl Williams, President of the Metropolitan National Bank of New York, a banker second to no other in experience, success or position, says:

"I would suggest that Congress assume, at once, the inherent, sovereign prerogative of a Government of the people, by the people and for the people, and exercise it by furnishing all the inhabitants of the United States with a uniform national currency.

• Surely the people, and the *people only*, have a natural

right to all the advantages, emolument or income, that may inure from the issue of either one thousand dollar bonds, with interest, or ten dollar notes without, based on the faith and credit of the nation.

This principle, simple, clear and undeniable, ought to be recognized as fundamental, and the only safe and proper basis, on which may securely rest all the circulating medium of the country; for the *sole benefit of all the people*, and *not, as now*, for the profit of a class of stockholders."

As some of my early theoretic lessons in finance come from Albert Gallatin, who was Secretary of the Treasury under Jefferson and Madison, I quote a report of a meeting of "*The New York Board of Currency*" from the "*Courier and Enquirer*." As Gallatin died, 1849, this report was written over thirty years ago:

NEW YORK BOARD OF CURRENCY.

PETER COOPER, Esq., First Vice-President, occupied the Chair, in the absence of the President, Mr. GALLATIN, who is in Europe.

A Communication was read relative to the objects of the Board, from an aged merchant of great experience, retired in the Isle of Wight. He referred to the injurious influences exerted upon the productive industry of Great Britain by increasing taxation and the excesses of the credit system in that country, and advised earnest attention in the United States to the establishment and maintenance of a sound currency, the best means of securing steady progress in the development of all the resources of the country. The letter concluded:—"I most sincerely wish you all possible success in your endeavors to establish the Banking system upon a safe and solid foundation. It is the most important and patriotic mission you could undertake. America is more happily circumstanced in many respects perhaps than any other nation. Not being burdened and embarrassed with a heavy debt, you are left free to pursue the course, that true

wisdom shall point out, and it would be no easy task for any one to estimate all the national advantages which now lie within your reach."

"The Recording Secretary submitted mathematical diagrams, prepared by Mr. John V. Yatman, who is engaged in perfecting a series of illustrations of American commerce, currency, and prices since 1790, in which the statistics of each of the seventy years are presented in a condensed form.

MR. YATMAN explained the mathematical principles governing him in the efforts he is making to demonstrate the practical operation of the laws of currency and prices. The result is a complete vindication of the views promulgated by this Board.

HON. GEORGE OPDYKE spoke of the rapid progress which sound views of currency were making throughout the country. He had long since demonstrated to his own satisfaction, with mathematical certainty, the truth of the principles of currency advocated by this Board. Their truth is advocated by experienced bankers and merchants, and it is a great error to suppose that a sound system of banking is on the average, less productive of profit than an erroneous system. The latter revolves around a vortex of bankruptcy into which it is constantly liable to be plunged upon the recurrence of adverse movements in trade and commerce. The former is uniformly and permanently remunerative, and of great advantage to the community. It is a gratifying fact, identified with the currency question, that the interests of the people and of the Banks go hand-in-hand in favor of a sound system. There is no clashing of interests in the path of duty which has been marked out by true principles, in this case.

He spoke with approbation of the work which Mr. Yatman had undertaken. He considered it important because it would establish, by positive demonstration, upon the basis of actual experience, those truths in monetary science upon which so much difference of opinion had existed.

HON. JOHN COCHRANE, Member of Congress, and Chairman of the Committee on Commerce of the House of Representatives, being called upon, referred to the interest he felt in the discussions of the Board. He had found that there is a great difference between the theories of money and the practical influence exerted by money upon all the economical interests of a community, and in this Board he found that questions of money were discussed in the light of practical experience. Once illuminate the public mind, expose the errors of those systems which seek to confer the attributes of money upon a fiction, and error falls dead, the appliances of the opponents of truths perish. This Board is in the correct line of truth, and as true principles of currency are applied, so the correct line of national development will be discovered. We are in the focus of a vast future civilization. A deviation now from Christian truth will be an eternal loss to that future. Guided by truth, with our boundless commercial resources and growing population, when money, the instrument of commerce, goes forth in its purity, how vast will be the results! If failure should again overwhelm us, the vitality of truth would reveal the line of duty amid every wreck and disaster. Without the financial wisdom that is guided by experience, our commerce will continue exposed to disasters. Hence, he concluded, the work of currency reform is part of the Christian progress of the world."

PETER COOPER, Esq., referred to the opinions which had been expressed by the immortal Washington. Not the amount of currency, but *the real worth exhibited in the rapidity of circulation*, is what constitutes a sound circulating medium. A fictitious currency was termed by Washington 'the shadow without the substance.'

"Mr. Yatman's mathematical illustrations were referred to a Committee, consisting of Messrs. William A. Booth, Joseph Lawrence, Wilson G. Hunt, Benjamin H. Field, George Opdyke, and John Eadie.

The Board adjourned for two weeks."

“TO THE EDITOR OF THE TELEGRAM:

The substitution of greenbacks for national bank notes is admitted to be the pivot, on which the money question turns. This point is strongly urged in the valuable writings of W. H. Winder, who says, in the following synopsis of his “Resumption Factors:”—First, an ability to meet all specie demands; second, that said demand is limited to the foreign debt; third, that gold, equal to our wants, cannot be accumulated with said debt outstanding; fourth, that the extinction of said debt would secure a genuine specie system, making our paper irresistibly on par with gold; fifth, that this specific can alone be gained by developing our resources, keeping the people employed, making the exports double the imports and substituting greenbacks for national bank notes.

Statistics show, that the national and State Government debts and expenses are, *per capita*, \$150 per annum, or \$3 per week, or 50c. per day. It is also seen, that national banks in thirty years will suck from the productive industries \$400,000,000 more than the entire public debt, or \$2,450,000,000, every dollar of which would be saved by the exclusive use of the people’s greenback. Manifestly greenbacks by the people and for the people, would alone make labor in demand, ending strikes and hard times, scattering peace and plenty over the land.

The venerable Peter Cooper, in his letter to President Hayes of the 6th of August, wisely states:—Government, by a judicious tariff, can do much toward promoting industries and encouraging capital for manufacturing, since we cannot as a nation buy anything cheap, that leaves our own good raw materials unused and our own labor unemployed.

Right shall rule and conquer error,
Ballots vanquish every wrong,
Money kings be struck with terror,
Freedom be the nation’s song.

WILSON WATSON.”

August 13, 1877.

FROM EWING'S SPEECH ON RESUMPTION, 1877.

"No greater injury could be inflicted on a people by its Government, than the reduction of the volume of currency, to which the business and values of the country were adjusted. To decrease the value of money was to strike at the interests of the whole body of the people. No man could engage profitably in merchandise, while the values, which he was handling, were failing, etc. . . .

I do not appeal to that money power, which seeks its fortune over the wrecked happiness and accumulations of its fellow-men—a power, to which our unhappy civil war gave birth—which has grown so enormous through unjust financial legislation; which now 'bestrides our narrow world like a colossus,' which subsidizes the press, which captures statesmen and parties, and makes them its subservient tools; which hounds down and villifies every public man, who dares to raise his voice against it. That power, in the flush and arrogance of its enormous and ill-gotten gains, has a heart of stone, not to be touched by human sympathy and compassion. I appeal to the masses, to their faithful Representatives (I thank God) of both political parties on this floor. The true aim of government is the greatest good to the greatest number, and whoever by legislation or otherwise changes the value of a contract, is as accursed as he, who removes his neighbor's landmarks. For twelve years past the financial legislation of this country has been dictated, one would think, in Lombard Street or Wall Street, and the people have been plundered by every fresh enactment. They have suffered the fate of the giant Gulliver, when tied down by the Lilliputians. Thank God they are about to rise—to burst the bonds, which their petty foes have fastened upon them, while sleeping, and to walk abroad again in their own majesty," etc. . . .

SENATOR VOORHEES ON THE FISCAL POLICY OF THE GOVERNMENT, DECEMBER 16, 1881.

"MR. PRESIDENT: It is now nearly nine years since silver money was destroyed in this country by the repeal of the law of 1792, authorizing its coinage. This famous act of fraud upon a long and well-settled financial policy and of wrong and injustice to the business and labor of the American people, was consummated on the 12th day of February, 1873. And then for five years and sixteen days it remained upon the statute-books to curse the land. It took the people that length of time to discover, overtake and wipe out this act of unwarranted and *clandestine legislation*. But, when the evil work came to be fully comprehended throughout the country, the popular voice was neither slow nor timid in making itself heard. It did not salute the ears of legislators with the soft music of a sighing zephyr, dallying with summer flowers; it came here rather with the fierce and commanding majesty of the hurricane in its wrath; it came from every seat of honest enterprise and industry; from the farmer, the manufacturer, the mechanic, the merchant, the trader, the wage laborer, from every class of business people, and it came breathing forth the indignation of a constituency, who found themselves betrayed and juggled in a matter of domestic policy, vital to their prosperity and happiness.

On the 28th day of February, 1878, the voice of the American people was obeyed in these halls, and silver money, the money of Washington, the unit of value, devised by Jefferson, the money of great minds in every age of civilized man, the money of the Constitution, the money of every period and of every political party of this Republic, until a recent day, was restored by law to coinage and to circulation. Let that day be remembered forever in the American calendar as one, on which a great victory was obtained, the first in many years, by the industrious, productive masses over the usury-gathering, idle, unproductive

few. This triumph of popular justice was not the less precious to honest and generous minds, because of the scenes and circumstances, which attended it. The act for the restoration of silver money was passed through both branches of Congress in the face of prophecies of evil to the country, etc. . . .

When their pretended concern for the welfare of the country, and their real concern for their own enormous profits, were exposed and disregarded here, they bent their faces confidently toward the Executive Department of the Government, that last refuge, as it seems, for special privileges to favored classes. They were not mistaken; they did not make their appeal to that Department in vain, etc. . . .

In defiance of the public will, in contempt of the policy of the Government for more than four-score years, and in open disregard of the wants of trade and business, the administration of Mr. Hayes sent to us his puny protest against the dreadful consequences of silver money. His veto, however, was swept aside by the Congress of the United States, as people brush cobwebs out of their way. The bill, restoring the silver dollar to its place in the coinage laws of the Government, was enacted into a law, over all combined opposition, by the tremendous vote of 196 to 73 in the House, and 46 to 19 in the Senate.

And now, sir, what response has the business of the country, during nearly four years past, made to the evil and vehement prognostications against the use of silver money? Has it brought ruin, has it brought calamity, has it brought distress to the people? Who has the hardihood to say so? On the contrary, behold a contrast in the condition of the country. The five years, during which silver did not exist as legal currency, were years of the most appalling financial disaster ever known in American history. I am speaking now of what all men know, and stating that, which no man will deny? From 1873 to 1878 there was a period of mourning over lost property, lost homes and lost labor, in

every active business community in the United States, etc. . . .

The passage of the Silver Bill was accompanied by the groans and lamentations of the associated national banks, expressed in many a sombre memorial, petition, remonstrance and expostulation, laid before Congress, etc. . . .

The Act of Congress, by which silver was dishonored, was a prominent feature in a most unrighteous and criminal endeavor to so contract, cut down and diminish the amount of money in use among the people, that the hoarded millions of the banker and the capitalist would have more power in the affairs of men, than all the other powers of this Government combined. The dream of certain minds, in this country, has been for many years past to create in fact, if not in name, an order of aristocracy, a privileged class, with their rank and importance founded, not upon intellect, culture, refinement, grace or goodness, but upon their success in the practice of avarice, the meanest and most sordid passion of the human heart ever spoken of in the heavens above or the earth below. In furtherance of this purpose the possession of money, especially in considerable sums, being a badge of the new nobility, the common people were to have as little of it as possible, and for that little to be dependent entirely on the lords of capital, etc. . . .

The Secretary in trying to make the impression, that silver money is a drug and a failure, and that the people do not want it. Who can justify this assault upon the existence of a hundred millions of currency, possessed of the same purchasing power as gold? I denounce it, and challenge the friends of such a policy, if it has any here, to come to its rescue. Let those, who will or dare, stand forth as its champions. This issue, thus forced without reason or justice upon the country, will be met by the country, and its authors will be sternly rebuked.

Such a movement, however, against financial stability and security, must necessarily have a powerful inspiration in some deeply interested quarter. We are not left in doubt

at all as to the source of that inspiration. In connection with the proposed retirement of silver, and in order to quiet the fear in the public mind of a destructive financial contraction, the Secretary, as the mouthpiece of the banks, is good enough to say in his report :

‘There need be no apprehension of a too limited paper circulation. The national banks are ready to issue their notes in such quantities as the laws of trade demand, and as security therefor the Government will hold an equivalent in its own bonds,’ etc.

We are told, that the national banks are ready to issue their notes in place of the silver currency, marked for destruction, and to do so in such quantity as the laws of trade demand, the banks themselves, of course, being the judges of the laws of trade and of their demands. The country is to depend, in other words, on the interest or the generosity of the banks for its supply of money, etc. . . .

The question, here presented by the Secretary of the Treasury, is whether to such minds shall be surrendered the entire control of supply and circulation of the currency. Who is ready to support such a proposition? Has national bank money been furnished at so little expense to the people, that they want it to take the place of all other kinds? I do not wonder, that the banks want a total monopoly of the currency; but it is astounding to me, that taxpayers should be willing for them to have any control at all of that vital question. The desire of the banks to destroy silver and greenbacks is very easily understood, etc. . . .

It is difficult, in moderate terms, to characterize such a recommendation. It is a wanton and, to my mind, a criminal assault upon the financial stability and the business prosperity of the whole country, etc. . . .

But the Secretary of the Treasury does not stop with the recommendation I have cited, for the destruction of good money in the form of silver certificates; he modestly asks for the repeal of the act of February 28, 1878, providing for the coinage of silver, and requests, that the whole subject be

left by Congress to his discretion to coin much or little or none at all, as he may think best. His language is as follows:

‘It is therefore recommended, that the provision for the coinage of a fixed amount each month be repealed, and the Secretary be authorized to coin only so much, as will be necessary to supply the demand.’

It is very obvious, that the object of this recommendation, on the part of the Secretary of the Treasury, is to drive silver entirely out of circulation. This will be seen from the fact, that he attempts in his report to show, that there is no demand for silver, and aims to make a false impression, that it has been difficult to put silver money in circulation. I quote as follows from his report:

‘As required by the act of February 28, 1878, the Department has caused to be coined into standard silver dollars each month at least \$2,000,000 in value of bullion of that metal. Constant efforts have been made to give circulation to this coin, the expense of transferring it to all points, where it was called for, having been paid by the Government. Only about thirty-four millions are now in circulation, leaving more than sixty-six millions in the vaults, and there is no apparent reason why its circulation should rapidly increase.’

Sir, what must be thought of the candor or the intelligence of this public officer in speaking of sixty-six millions of silver in the vaults with no apparent reason for an increase of its circulation, when in point of fact every dollar of it is now in circulation in the form of a paper currency resting upon a specie basis? etc. . . .

The profits of national banking, under our present system have been, and continue to be, something almost fabulous, and it is natural, that those engaged in it, should desire to expand their operations over the entire currency of the country. This is the solution of their ceaseless agitation of more power over the finances. But a short time ago they were demanding, through the Executive and the then

Secretary of the Treasury, now the Senator from Ohio (Mr. Sherman), that the legal tender debt paying quality of over three hundred and forty-six millions of greenbacks, then at par with gold, should be withdrawn, and that this money, costing the people nothing for its circulation, should be left to perish by the wayside. This was to be done in order, that the banks might issue their notes in its place 'in such quantity as the laws of trade demand,' according to the broad discretion, now conceded by the Secretary. Let us look, however, for a moment in this connection at the cost to the people of bank note currency, and see whether a circulating medium so expensive should supplant all others. The bank note circulation has averaged in round numbers about \$280,000,000 during the last eighteen years. Government bonds, owned by the bankers and drawing interest from the labor of the people, were pledged to the amount of over \$320,000,000 for the security of this circulation.

The interest, paid by the people and received by the banks on these bonds, may be stated at an average of not less than \$17,000,000 a year; this, for eighteen years, amounting to over \$300,000,000 for the blessings of bank found money. By adding to this interest account the profits of the banks on their circulation and their deposits, it will be that they have received enough gains from the pockets of the people, since their creation, to pay off two-thirds at least of the national debt. And these vast sums have been paid to the banks simply for the privilege of receiving through their hands a little more than one-third of our currency, of no better quality than the other currencies, for whose circulation there was no tax on anybody. Is this such a showing as to entice Congress to abandon the whole financial question to the banks? etc. . . .

Against the present paroxysm of greed on the part of corporate and consolidated banking capital, demanding through one of the departments of the Government the disgrace and the overthrow of silver money, I invoke the judgment and co-operation of all the busy multitudes of indus-

trious men and women throughout all this broad, progressive land," etc. . . .

A NEW BUSINESS FOR NATIONAL BANKS.

(*New York Herald*, January 28, 1882.)

"Whenever a financial measure is proposed in Congress, ostensibly, perhaps really, for the public good, but by which the national banks may possibly benefit, a very howl is raised over the country, crying out that nothing should be done, which will add to their already great strength and vast influence. The various bills before Congress on matters, connected with the public funds, are closely watched for hidden evidences of national bank jobbery, and the passing of necessary measures is often delayed by the close inspection of these financial detectives. *Congressman Tillman*, it would seem, has, however, quite evaded the close scrutiny of a little bill, now before the House, to authorize national banks to make loans upon mortgage of real estate. On its face it is a harmless affair; but it is really a most dangerous bill, which should be carefully inquired into and combated by believers in a safe and conservative system of banking. It relieves the banks of the restriction, now imposed on the investment of their funds, enables them to enter the real estate market as speculators, allows them to invest in mortgages of any and all kinds, does not bar directors from loaning the funds of the bank to a member of the direction, and, in fact, permits them to do what they will without let or hindrance in negotiating loans on good, bad or indifferent real estate security. It opens the door to worthless investments and to financial knavery of various kinds, and threatens to inaugurate a *new business for national banks*, for which they were not organized, which is beyond the limits of their legitimate functions, and which can only breed distrust in their ultimate soundness,

and will eventually create serious trouble in the business community."

"Dr. Newman preached to a large congregation, in his church on Madison Avenue, on abuses of partisan rule in New York, and the moral responsibility of our citizens. His text was Exodus, xviii., 21—" 'Thou shalt provide out of all the people able men, such as fear God, men of truth, hating covetousness, and place over them to be rulers.'

The great need of the hour, he said, is a political conscience, which will respond to every voice of duty and of justice. Each man should have a conception of his clear political duties, a realization of his individual responsibility in the issues of an election, a manifest interest in the moral character of officials, not unlike that, which he feels in the character of the minister of his church, the teacher of his children and the agent of his business.

Two objections are offered in apology for the non-performance of our sacred politico-religious duty—the uncongeniality of politics and the lack of time to attend thereto. A man might as well plead the unpleasantness to pay his debts, to keep his bridal vows, to obey his God. A man, who boasts *I never vote* might better boast *I never pray*, for prayers and votes are always the same before the bar of God. Do you plead, that the professed politician is so degraded, the caucus so low and the Convention so corrupt? Plead the same objections against business associations. A politician is a saint to some business men. Clean out the politician and improve the Convention. If Christ came into this world of sin to save it, the saint should go to the caucus to redeem it. Not a few plead business cares, but intense selfishness is the root of evil. Such men forget, that were it not for organized society they would neither have wealth nor pleasure.

SPEECH OF HON. IRA S. HASELTINE, OF MISSOURI, IN THE
HOUSE OF REPRESENTATIVES, MAY 13, 1882, ON THE
BILL TO ENABLE NATIONAL BANKING ASSOCIATIONS TO
EXTEND THEIR CORPORATE EXISTENCE.

MR. HASELTINE said :

MR. SPEAKER : I propose the following amendment :

"That all the interest-bearing indebtedness of the United States now due or optional with the Government, and all other interest-bearing indebtedness as it shall hereafter become due, shall be paid in lawful money of the United States.

"SEC. 2. That all money now in the Treasury, and all revenues of the United States Government not otherwise appropriated, shall be applied in payment of the interest-bearing debt.

"SEC. 3. That the Secretary of the Treasury be, and he is hereby authorized and required to issue non-interest-bearing Treasury notes of the United States of the denominations of one, two, five, ten, twenty, fifty, and one hundred dollars, which shall be made lawful money and a legal tender at its face value for all taxes, revenues, and debts, public and private, within the United States, which may be necessary in addition to the aforesaid money and revenues to pay the said interest-bearing debt now due, and also the interest-bearing debt now optional with the Government, and all other interest-bearing debts as they shall respectively become due.

"That the Secretary of the Treasury is hereby authorized and required to issue Treasury notes made a full legal tender and lawful money in denominations convenient for currency, and in quantity equal to any contraction which may be caused by the withdrawal of national-bank notes.

"SEC. 4. That all acts and parts of acts in conflict herewith be, and the same are hereby, repealed."

Mr. Speaker, this amendment provides for paying into the circulation all money and revenues not otherwise appropri-

ated, and issuing legal-tender currency to take the place of interest-bearing bonds now due, or optional with the Government, and also to take the place of national-bank currency. It provides against any contraction by the withdrawal of bank paper and saves to the people from \$12,000,000 to \$15,000,000 per annum. The adoption of this amendment would provide for the payment of the interest-bearing debt and supply the people with money which is preferred to gold.

Mr. Speaker, Hon. Peter Cooper, the great American philanthropist and political economist, who in moral and patriotic grandeur is second to no man of his time, in his late petition to Congress protests against the passage of the bill under consideration as reported by the committee, and presents the argument for a just and enlightened policy so clearly and forcibly that I deem it due to the cause and in the interest of good government and humanity to give his petition entire, etc. (See "*Congressional Record*.")

"Letter to the New York *Independent* by the Rev. Thomas K. Beecher, of Elmira, in reply to an extract, previously published in that journal:"

'If these Greenbackers had as much sense as persistency we should think very well of them.'—*Independent*, July 7, 1882.

"Mr. Editor and readers of the *Independent*, have you ever read for yourselves the authoritative deliverance of this 'National' party? Not less than thirty times, during the last two years, acquaintances of mine have asked me, *How can you, with your intelligence, allow yourself to be called a Greenbacker?* To which question I make answer as above: 'Have you read our platforms?' I find invariably, that they have not, and when I name over one by one our cardinal doctrines, I have to find a man, who does not agree with us.

No one can yet foresee which one of our half dozen doctrines, is first to arrest the public ear and hold it long enough to get an answer. But, mark my words: They will

force themselves in some order upon general attention more and more, because each and every one handles a vital question.

Earnest men, disgusted with the mean and mercenary phase of 'politics,' when once they come into a convention or council of Greenbackers, are refreshed to find themselves in company with intelligent and unambitious men of principle; men, who modestly illustrate that, which Goldwin Smith prayed for: 'Heaven preserve England and make her public men think what will become of themselves at the next election.'

"Mr. Editor, we have 'persistence,' because we have 'sense.' At a time, when the venerable statesmen of the United States Senate concentrate their sublime powers of debate upon the little Penn Yan post-office, and after listening to 'masterly orations,' vote upon the question, whether Lapham or Miller shall name the postmaster, it would seem as if it were time for somebody, somewhere, to call attention to questions of scope and dignity.

Already the organized Anti-Monopoly League in this and other States, has borrowed one of the principal demands of the Nationals and made it a rally. All right.

Already every business man in the land prefers a greenback Treasury note to any other form of paper or metal money. And we Greenbackers say: All right, we say so, too.

Who of all the readers of the *Independent* for a moment doubts, that the multiplication and encouragement of small freehold farms and homes is a good policy for any State? Who that has read or thought fails to perceive, that vast plantations, estates, ranches, grain or stock farms, held by one patron or capitalist landlord, have been and are ruinous to Rome, Ireland, France, and even to New York? Ought not limitation laws to find some place on our statute books?

Ought not a corporation, that has received land grants as compensation for work to be done, to either do the work or else quit selling off the lands and pocketing the proceeds?

If the control of the Mississippi, as a free water-way for commerce, was of such importance, as to justify the Louisiana purchase and furnish our strongest argument against secession and a split Union, is not the control of transcontinental railways of far greater importance—channels that they are of a far greater commerce and travel?

If we noisily protest, that foreigners must not control the Isthmus canals, how can it be safe to allow Gould and Vanderbilt to control transcontinental railways?

If, for purposes of revenue, our Government inspects whiskey and certifies the proof—so much spirit and so much water—why not inspect stocks and forbid dividends on waterings, and call into the Treasury the earnings, now absorbed by barefaced frauds?

Questions like these interest us Greenbackers far more, than the faction fights, that absorb the attention of the two great parties. As a Christian pastor and teacher, I invite young citizens to discuss these questions, for they yield an education every way.

But as between the two old parties I am not able to discern any difference of doctrine or policy; nor do I find, that party leaders set any great value upon public discussion, or controlling votes or carrying elections.

Hubbell is assessing the Republican officeholders. Conventions inquire chiefly for candidates with a barrel, which they are ready to tap with a big auger. Votes are bought by the hundreds in this little city of Elmira, under disguise as thin as a bride's veil. The appropriation bills in Congress are of interest chiefly, as furnishing the corruption fund of political war. Goodness, openness and honesty are sneered at as *Sunday School politics*. I know no difference between Republican and Democrat, except that one is in and fat, the other out and hungry.

And when the tidings came over the land of a new National party, with principles inscribed on its banners, one would think, that good citizens, overweary with watching for a chance to be active in public affairs, without being

compromised by the company of liars, conspirators and thieves, would at least run and read the inscription.

The only fault I find with my Greenback friends is, that they put too many good things in their platforms. Too much sense, *O Independent!* not too little. They talk about too many things.

If counsel might avail in these unsatisfactory days, I would advise every patriot to forsake the two old parties and join the prohibition army, or the Anti-Monopoly League, or the Greenback party. Join anything, anywhere, that entertains and proclaims principles, of which you can make yourself an enthusiastic advocate, year after year, no matter how the election goes, nor which Senator controls the Penn Yan post-office.

There is a pure and bright political enthusiasm which, next after the inspirations of home and the hope of heaven, is the noblest stir possible to man. I know Greenbackers not a few, who have felt this quickening. Many such were at Albany at their recent Convention. With them or with their like it is an honor and a refreshment to be associated.

THOMAS K. BEECHER."

Elmira, N. Y.

LETTER OF REV. HOWARD CROSBY.

"October 21, 1892.

"EDITOR JUSTICE.

"SIR: If we are true in our desire to overthrow monopolies and the tyranny of wealth, which are the greatest dangers our Republican institutions have to fear, I cannot see how we can avoid voting against the candidates (however excellent in personal character), who have been nominated by these evil powers. I am a Republican, and have always voted the Republican ticket; because I believed the Republican party represented political wisdom and virtue, as against demagogism and anarchy. But, if the helm of the Republican party is to be seized by a selfish class interest, its wisdom and virtue are gone. The only way for true

Republicans to bring back the party to its purity, is to vote down the nominees of the conspirators. But this (say some) will give the State to the Democrats. Very well! Let the Democrats have control. I'll trust an honest Democratic party rather, than a dishonest Republican party. We know what the Democratic party is, and will be on our guard; but a Republican party, that professes a high morality, while promoting rascality, will only deceive.

The election of the present Republican State ticket would be the endorsement of bribery, fraud and the *tyranny of the money power*. No consideration whatever can justify this. Fortunately the Democratic party have given us candidates of the very highest character, whom we all can respect and support without any qualms. By their election, not the Republican party, but the miserable, dirty wire-pullers, will be defeated, and a blow will be given to Monopoly, Greed, Trickery & Co., under which they will stagger to their holes.

The whole question, which the voters at the coming election have to meet, may be narrowed down to this, *Shall we have money-lords to rule us?* or specifically, *Shall we condemn Governor Cornell for vetoing the Elevated Railroad Tax Bill?* The *aye* to the latter means *aye* to the former.

I make no apology for meddling with politics. I am an American, a citizen and native of New York. I never sold my birthright. When great moral crises arise, I will not hesitate to speak as loudly as I can for the truth. With mere local and personal politics I have nothing to do. I add these last words for the benefit of those, who suppose clergymen are either women or children.

Yours very truly,

HOWARD CROSBY."

"The Rev. Elbert S. Porter, D.D., who has long been known as a Stalwart Republican, discussed the political situation last Sunday night, in the Bedford Avenue Reform Church, Brooklyn, E. D., of which he is pastor. Dr. Por-

ter prophesied the early dissolution of both the political parties, as the old questions were no longer live issues, and nothing but the spoils kept either party together. A new party, formed by the best men of both parties, would come into the control of the Government and its platform would be civil service reform and *Anti-monopoly*. It would be a good thing, he continued, for the Republican party to be defeated this year in New York, as it doubtless would be defeated. The Republican party never stood so high as it did now, when its members were unwilling to submit to machine dictation and preferred defeat rather, than victory by fraud. I have voted the Republican ticket since 1860, he continued, on State and national issues, but the party is so corrupt now and is so eager to clutch at money, that it is best to defeat it."

"The Rev. D. M. Hodge, pastor of the Harlem Universalist Church, preached in the evening on *Politics*, taking his text from Deuteronomy xvi., 18, 19, 20—'Judges and officers shalt thou make thee in all thy gates, which the Lord thy God giveth thee throughout thy tribes, and thou shalt judge the people with just judgment.' This, he said, is the political council of the Mosaic law. It urges the duty of the people to make their own judges and officers. I have not any very high opinion of what are commonly known as *political sermons*. I should not know how to preach one. But the subject of politics itself is one, which commands a great deal of the thought and time of the people.

The present condition of political affairs is notoriously corrupt. From secret conclaves and nominating conventions comes up a stench of evil, offensive in the nostrils of honest men, so that men say: 'The whole business of politics is so corrupt and disreputable, its methods are so full of intrigue and dishonesty, that it seems most consistent with the dignity of the Christian pulpit and of high-minded men to let politics severely alone, to ignore the subject altogether.' But it is this kind of dignity, that is killing us. It suits the

politicians too well. All that a low, mean, lying, forging, intriguing demagogue wants is to be let alone.

The greatest danger, that threatens our institutions grows out of the apathy of our best and most intelligent citizens. Upon every citizen rest the duties, the obligations of citizenship. He has no right to neglect them, or put them aside and to leave honest and disinterested men anxious for good Government in an impotent minority.

You are a citizen of the United States of America, of the planet Earth, and the best thing you can possibly do, is to roll up the sleeves of your dignity, vote and work against the demagogues, and so help to improve the sanitary condition of American politics. If you don't do this with all your intelligence and integrity you don't count. Be independent! If both parties, or both sets of candidates, are objectionable, be your own party, till you find somebody of your own way of thinking; nominate your men and vote for them."

GENERAL WEAVER'S SPEECH AT COOPER UNION, NEW YORK,
NOVEMBER 5, 1882.

"Let me state the issues separately. They are as follows: First—What shall be the permanent system of *finance* in the nation, which, when adopted, shall exist as long as the Republic shall last? Shall it be a system, where the power to issue the money and control its volume shall be delegated to an irresponsible *banking monopoly*, or shall it be a system, where the people govern themselves upon finance, as they do in war, peace and the domestic relations? This is a very great question, because the finances of a country relate to the moral and physical welfare of every soul, that lives under the flag, and every hour that they live. It takes hold, not only of the physical condition of man, but also upon the spiritual and intellectual conditions, etc.

This question of finance takes hold of the trinity in man. The Saviour understood that very well, when He fed His

hungry disciples before He preached to them. The second great question is cognate to the first: Shall the railroad corporations be brought into subjugation to law and be compelled to work in harmony with labor, or shall they become our modern barons, lords and masters? Third, Shall the public debt remain? that cancer upon the body politic, which, when it only amounted to about \$16,000,000 in the days of Jefferson, so troubled him, that he wrote concerning it: 'When I think of the public debt, I cannot sleep upon my pillow, so certain am I, that, if allowed to remain, it will undermine the liberties of the American people.' "Now, here is a trinity of great questions, and out of the trinity grow a group of other questions, such as the land question, and various other questions, that to-day agitate the heart and the brain of the American people. These are the great issues. Why do you require a new party to settle them? Give me your close attention upon this point. Prominent National Bankers are Republicans. Prominent National Bankers are Democrats. Prominent railroad kings are Republicans. Prominent railroad kings are Democrats. Prominent Democrats own large interests in Government bonds, and when they meet in their national conventions, they simply train both the old organizations in the interest of those *monopolies*, etc. Hence the *monopolists* come into the old parties and do their work, throw their influence and great wealth upon the side of the monopoly factions, and the result is, they control your conventions and control your nominations, etc.

The monopolies are all confederated together. They fight under one flag, they are all in sympathy with each other, and the great mother monopoly of them all is the *national banking monopoly*.

I wish to illustrate briefly the bank monopoly by a couple of bills, which I hold in my hand. This one dollar bill is a *greenback*, and this one a *national bank bill*. Now, these two bills represent the second edition of William H. Seward's 'Irrepressible conflict,' that is still going on in this

country; the irrepressible conflict between the people and the people's money on the one side, and *corporations* and corporation money on the other.

I say the conflict is irrepressible, for one or the other must go.

The decree has gone forth on the one hand, that the greenbacks shall go, and we declare, that the national banks shall go. The Republican party has declared war against the greenback, and we respond," 'Lay on, Macduff,'—"and you know the balance of the quotation. Now, this *greenback* bill is the *money of the Constitution*. I say that, because *the Supreme Court of the United States has decided, that a greenback is constitutional money*; not because issued in the time of war, but they have decided it to be constitutional, upon the broad pedestal of the Constitution itself. It is, then, the money of the Constitution. It is the money of the Constitution in a far dearer sense than that, because we know it saved the Constitution, when the storm and tempest were howling about her. Things don't happen in this world as often as you may think they do. There is" 'A divinity which shapes our ends,' "and consequently it is very appropriate, that you should have the picture on this constitutional money, that I find here, the picture of the Father of his Country, who presided over the Constitutional Convention. Very appropriate, that this picture should be upon that bill. Now there is a picture upon this national bank bill, that is also appropriate. Two women, bare-headed and bare-footed, in a wheat-field, shaking wheat, emblematic of the poverty, engendered by this system of finance.

Now, when the Government of the United States issued that greenback dollar and paid it out, it got value received for it. That was right, was it not? The Government ought not to give away its money. I have no reference to pensions; that is not a gift. Nor have I any reference to proper charities, the Government sometimes has to indulge in; but, as a rule, the Government ought not to give its money

away. So, when the Government issued, that dollar, it got value received. We have \$346,000,000 of greenback money in circulation. When the Government paid it out, it paid \$346,000,000 of debt. That was right, etc. . . . But when the Government paid out this national bank bill to the First National Bank of the City of New York, how much did it get? They did not get a cent. It was a clear donation. The Government does get one per cent. per annum tax; that is all. But it did not get it in advance. When the Government issued that bill it was a clear donation to the Bank. Now, we have \$357,000,000 of that kind of money in circulation, and when the Government issued it, it was a gift of \$357,000,000; and to what class of men? Rich or poor? Rich men, who already had their money invested in Government bonds, and were shirking every burden, that you people have to bear. Tell me why the Government of the United States should do that thing? If I have a \$100,000 bond, or if the bank, which issued that bill had a \$100,000 bond deposited as security for their circulation, they continue, and are, to-day, drawing interest on every farthing of that bond, and the Government, in addition to that, gave them back \$90,000 in national bank currency. You give the national banker \$90,000 simply, because he is the fortunate owner of a \$100,000 bond, that draws a high rate of interest and pays no taxes.

O, that some spirit, some influence may be breathed upon the people, that shall arouse them to a sense of their real situation! At the end of the first century of our national life, through cruel class legislation, every avenue and agent of commercial life and activity have been wrenched from the people, and turned over to corporate control and greed. We, to-day, practically have but one railroad, one banking organization, one telegraph company, and one express company. Now we declare to you, that these things must not be so. We are building a new structure, a new party; what shall be its chief corner stone? Early in the year 1860, Abraham Lincoln made a speech in this hall. Let his voice

be heard again here to-night. President Lincoln, in his first annual message, December 3, 1861, declared as follows: "There is one point, to which I desire to call attention; it is the attempt to place capital on an equal footing with, if not above, labor, in the structure of Government. Labor is prior to capital. Capital is the fruit of labor, and could not exist, if labor had not first existed. Labor, therefore, deserves much the higher consideration." "This is the chief corner-stone of the new political party. But how hollow and meaningless is Mr. Lincoln's declaration, when read in the light of the class legislation of the past fifteen years! Capital has not only been placed upon 'an equal footing with labor,' 'but by law it has been made the master and oppressor of labor. It is the mission of the National party to destroy this abnormal condition of things and to restore labor to its rightful supremacy. Not that we would bring on a conflict between capital and labor, but that we would prevent it. Labor and capital were joined together by our all-wise Creator. Let no man put them asunder. Their relations must be most intimate, friendly and tender. But this is not the case at present. A man owning a \$50,000, 4½ per cent. Government bond can now, under the law, without doing a day's work, convert his fifty thousand investment into an investment of more than one hundred thousand. He can deposit his \$50,000, 4½ per cent., and draw ninety per cent. of the *market* value of his bond in national bank currency, while his neighbor with \$50,000 invested in productive industry, of course, can do no such thing, but must labor and lose, and in addition bear an undue share of the burdens of the State. How long, I ask, will this condition of things be allowed to exist? Labor is compelled to borrow from those, who do not work, and whose wealth is given to them by statutory enactment. The laborer makes his money by hard knocks, and the bondholder his by" Be it enacted, etc. . . .

Why, my fellow-citizens, between the teachings of modern Republicanism and the doctrine of Abraham Lincoln, con-

cerning the rights of labor, there is a gulf as wide as that between the rich man and Lazarus, after the latter had reached heaven and the former had been cast down to hell.

It was the maxim of our Fathers, that industry, economy and wise investment of surplus earnings in productive pursuits constituted the only legitimate road to affluence. But it is not so to-day. Industry toils as a slave to corporate greed, etc. . . . Confederated monopolies hold the issues of life and death in their hands. They dictate to the producer what he shall have for his toil, and to the consumer what he shall pay for the bread of life. The most dazzling, and heretofore unheard-of fortunes, are being piled up by means of this extortion. And in turn this wrongful accumulation of wealth is being openly used to subsidize the press, employ the best trained talent of the country, and to corrupt public officials, Legislatures, Congress, and judicial tribunals. Who is able to deny these things? Why, if you wish to get a glimpse of the influence of corporations over your Government, contemplate for a moment the awful fact, that the Government, in utter violation of its trust, has given away to *railroad corporations* over 250,000,000 acres of the public domain, that was intended by a kind Providence as homes for our children. *An area nine times larger than the great State of Ohio!* Just think of that for a moment, and your hearts will grow sick within you, etc. . . .

Now, whence must our help come in this extremity? I answer, from the people and through the instrumentality of a new party. Forgetting ourselves we must continue to go forth, every one of us, as evangelists of truth, educating and arousing the latent energies and hearts of the people. The remedy must come through the *ballot box*, and it must come in harmony with the business safety of the community. We seek no violent or doubtful methods, but only to usher in purer methods and the rightful reign of the people over their own affairs.

We shall not be disappointed, for our party is strictly

national in all of its aims and aspirations. Sectional animosities are wholly unknown within our party, and the South will gladly strike hand with us to usher in the new civilization.

Fortunately for that section of our Union, she is free, comparatively, from *bank monopoly* and other corporate power. She has now the opportunity, rarely offered to any people, to become the leader in an emancipation, that will endear her forever to mankind. She will not be slow to see the great opportunity. Her statesmen, less sordid than many in other localities, are awake to the situation. We hail her people as co-laborers in the greatest reform movement ever inaugurated since the dawn of human history. Political animosities perish and are forgotten in the presence of our National, our most fraternal organization. Let us take courage from the recent large gains at the West, and go forward. We stand at the ushering in of a new era. Old things, old parties, shall pass away, and lo, all things shall become new ! ”

HON. WILLIAM S. HOLMAN, OF INDIANA, ON NATIONAL BANKS AND MONOPOLY, IN THE HOUSE OF REPRESENTATIVES.

May 16, 1882.

“Those patriotic institutions, which gentlemen are so anxious to invest with the absolute control of your currency—the life-blood of your business and prosperity—were perfectly willing to overturn your admirable monetary system, disorder your industries, and throw multitudes of men out of employment to defeat an ordinary and proper act of legislation, affecting them about one per cent on their bonds, when you were furnishing them \$343,000,000 of paper at your expense, with Government indorsement at one per cent. per annum.

These banks are making a steady and persistent war on your greenback money, silver certificates and the silver dollar, and are already supported by high officers of the Government. Does any gentlemen on this floor doubt that, if

the system is permanently established by the passage of this bill which, at no remote day, at the demand of these banks, your greenback money and silver certificates will be retired and national bank notes substituted in their place? Their system is well defined and simple gold coin the only standard of value, and no taxation by the Government, even the one per cent. they pay you for their circulation to be removed. The Comptroller of the Currency, the representative of the system, in his last report, page 52, says "—

‘The Comptroller again respectfully repeats his recommendation for the repeal of the law, imposing a tax upon bank capital, deposits and the two per cent. stamp upon bank checks.’

“And on page 58 of the report urges, that Congress shall limit the States in taxing the shares of stock, and yet during the last year there was paid out of your Treasury at the expense of the Comptroller’s Office alone for the benefit of the banks \$214,118.50.

Have great capital interests been so mindful of the welfare of the people, that you can safely trust your currency to their keeping? If so, when has it been displayed? I remember very well, when a distinguished capitalist of Massachusetts rose on this floor to ask for the passage of the bill to reorganize the Mint (an event so often mentioned here). I remember very well the incident, the questions and the answers, that accompanied the passage of that innocently-titled bill through the House, which struck from your coinage the silver dollar, and did it, too, on the very eve of the period, when the coinage of the silver dollar was to be vital to the public welfare.

I would rather indulge the belief, that the distinguished gentleman was not fully conscious of the measure under his control, and of which I believe he was not the author; but I am confident, that no man can carefully consider the events of that period and the men, who were then at this Capitol, and recall events transpiring in Europe, and the state of our public debt, and the fact, that the debts of the nations

then exceeded in volume any example in history, without being impressed with the belief, that that measure was not a mere incident of ordinary legislation, but a part of a conspiracy of great capitalists against the labor of mankind.

Our silver certificate is not a new idea. I think I have read, that the Dutch suggested the idea. The frugal burgo-masters of Amsterdam perceived the convenience of paper money a long time ago and organized a bank. The only law of that bank was that, when a paper dollar was issued, a silver dollar should be put in the vaults to pay it, when it came back.

I have entire faith in this system of silver certificates, and believe they will play an important and most valuable part in your currency system. But the audacious and persistent war made upon the legal tender notes, the silver dollar, and the silver certificate by the great bankers ought to inform our people, that in the early future there will be no divided control of your currency. The Government will issue all forms of currency for the common benefit of the people, or the national banks will issue it all on the credit and at the expense of the Government for the benefit of the banks.

There is no country, where corporations exercise as tremendous a power as in our own. It is true, that incorporated companies exist in Great Britain, and to a limited extent in the nations of continental Europe. There are ninety banks in France, with thirty-seven millions of people; but in all those nations corporations are hedged in and restricted by wholesome laws, and are made subordinate to the public good, except where they have been organized for the express purpose of giving strength to monarchical power, and then they have been made subordinate to Government, even if organized to oppress the people," etc. . . .

THE GOVERNMENT STAMP MAKES MONEY.

"We have now a varied currency in this country, which passes at the same valuation, as fixed by the Government,

though its *so-called* intrinsic value is unlike in every case. To please those, who fix the gold dollar as the proper basis, we will place that first, and give the value in gold of each of the other dollars, *which can buy just as much labor, food, or anything else as the gold dollar purchases*:

The gold dollars,	100 cents.
The Trade silver, 420 gr.	99½ "
The Daddy dollar, 412½ gr.	97½ "
The Mexican, 417½ gr.	99 "
Two half-dollars, 371¼ gr.	88½ "
20 nickels, 5c.	17½ "
33½ " 3c.	16½ "
The Greenback.	0

It will be observed, here are eight distinct kinds of money, which circulate indiscriminately in our country, and the least valuable, *intrinsically*, as compared with gold, buys just as much as any of the others. We want no better argument, than the table above to explode all the fallacies of the bullionists. It is *the stamp of the Government, that makes money*. Without it nothing is money."

WENDELL PHILLIPS ON PAPER CURRENCY.

"Men call the Greenback movement a delusion and fanaticism. What is fanaticism? It is enthusiasm blinding judgment. It is prejudice—obstinately clinging to theories in spite of facts, which disprove them. Let us ask, then, who to-day are the fanatics, judging by this rule. Look at facts, the world over. Whenever, during the last century, either of our great nations has seen its existence threatened by civil war, or foreign assault, instantly that nation has run to the shelter of *paper currency*, and generally been thus enabled to survive the storm. This is a fact, not a dream. Does this prove, that paper currency is necessarily ruin and shipwreck? Does it not rather look as if a paper currency had some quality in it, that called forth to the last dollar the resources of the people, and so stimulated their energies,

that they could avail themselves of all their possible and hidden power?

When a man strips to fight for his life, he puts himself in the condition and posture to do his best. When a nation girds herself for a last desperate struggle for existence, what does history tell us she has uniformly done? History tells us, that a nation in such extremity has uniformly thrown off every incumbrance, stopped every drain upon her resources, stimulated every possible power of production, economized all her means, and guarded herself, as carefully as possible, from all foreign interference with her business prosperity. How has she secured and effected all this? History answers, 'By resorting to a paper currency.'

There need be no fear of communism. Capital and labor have no dividing line here. Like the colors on a dove's neck, they join and unite everywhere. We have mingled freely with workingmen, and never yet met one, who did not believe and proclaim, that the interests of capital and labor were one."

WARNING TO GREENBACK MEN.

"No new party ever made such rapid strides as the National Greenback Labor Party, and no issues were ever presented, that so vitally affected the dearest interests of every laborer and producer.

Of its final triumph and success there is no doubt.

Knowing this, many ambitious aspirants, for position and recognition, will attempt to force their virtues and claims upon the party, and if they cannot succeed with the majority, they will attempt to divide and disrupt our organization, with a hope of forcing a recognition by using and controlling a minority.

Spurn all such disorganizing demagogues, and stand shoulder to shoulder with the main army for certain and early victory. Give no countenance to disorganizing ego-fists and place-hunters; but let the people and the position seek out the most worthy to bear our standards."

I append the following quotation from a "History of Finance in England," by S. A. Goddard, Birmingham, to show, that our only hope of security from the desolating blight of periodical panics must be found in *a non-exportable paper currency*.

These facts are so identical in their general character with the facts in this country, that it can be easily seen they must spring from the same causes and from a similar system of finance.

Hence they bear directly upon the questions now under discussion, and for this purpose seem to me very instructive and convincing.

Mr. Goddard introduces his pamphlet thus :

"The writer, having seen and felt the disastrous effects of five great panics in England and their accompanying panics in America, which upon each recurrence have put a stop to trade, ruined clients and broken up arrangements and connections, formed after long, diligent and expensive exertion, is desirous of impressing on those, who have not studied the subject, that similar panics will certainly occur periodically, so long as the present monetary system is continued.

If, in pursuing this search, it be found, that a similar depression of business to that now experienced, and to which these inquiries relate, has been witnessed periodically for a series of years, presenting on each return precisely the same characteristics ; and if, during the whole of these years, it be found, that a system has prevailed, upon which the business transactions, thus depressed, have been based, and that no other system, condition or circumstance, having any material general bearing on these transactions, has existed, or been in force throughout the same period, then it is fair to conclude, that to this system may the depression be attributed, and that a repetition of these periods of depression is to be averted only through a reformation of the system.

The Bank of England and Provincial Bank Notes con-

stituted the money of the country for a period of twenty-six years, performing all the necessary functions of money, effecting the exchanges of property, enabling capital to employ labor, to feed the hungry and clothe the naked ; and also enabling the Government—whether for good or evil, need not enter into this consideration—to carry on a great war, and bring it to a triumphant conclusion. These notes, at no time a legal tender, passed current, and were taken in payment upon all occasions ; a fact highly creditable to the good feeling and patriotism of the people.

When the war terminated, the bank commenced preparations for a return to specie payments, occasioning a general stringency in the money market, causing a fall of prices, injury to credit, and the prostration of trade. The return of peace, which should have gladdened all hearts, bringing with it prosperity and happiness, brought sadness and sorrow to thousands. Vast numbers of persons were thrown out of employment ; the laboring classes became tumultuous, and the Government, during a time of profound peace, achieved by the patriotism and valor of these same classes, suspended the Habeas Corpus Act, in order to drown their cries and stifle their complaints.

Lord Liverpool told the agriculturists, who memorialized him on the subject of their difficulties, that ‘over-production was the cause of the low prices of agricultural produce,’ and this at a time, when the Government was encouraging emigration, because there were too many mouths to feed ; and he told the manufacturers of Manchester and Birmingham, who waited upon him with respect to their distresses, that they ‘made too many goods ;’ ‘they had overstocked the markets of the world.’ The consumption of cotton at the time being about one-eighth of what it now is, and the make of iron and of Birmingham goods being not far from the same proportion.

Government, however, became alarmed ; and extended the time for returning to specie payments to the year 1819, which caused a revival of confidence, indicating, as it was

supposed to do, the intention of the Government to pursue a lenient policy in regard to the bank ; consequently new life was given to the people, but only for a time, for the bank, in preparing for resumption in 1819, soon obliterated all signs of amendment, and the depression continued.

In this dilemma it called upon the Government for relief, and the call was too significant to be disregarded. Lord Castlereagh brought into Parliament five money bills in one night, one of them permitting the circulation of one-pound notes ten years longer, viz., from 1823 to 1833, and all of them designed to increase money facilities, passing them through as rapidly as the forms of Parliament would permit.

The effect of these measures was great and immediate. Confidence revived, labor everywhere found full employment, and ere long there was not a cottage in the land where the benign influence of an increased medium of exchange between labor and capital was not felt."

Looking back to past years and learning from experience the cause of the present depression in business, must be plain to any observant mind. It is primarily the damage to confidence in men and things, and to decreased ability to purchase on the part of dealers and consumers, occasioned by the panic, caused by a monetary system, still in full action, that deceives and cheats the community ; lifting it up at one time to dash it down at another, as has been already stated ; bribing the people to enter into business and to undertake hazardous enterprises, and after alluring them on, removing the prop, which should sustain them, and leaving them to their fate.

PETER COOPER.

A BRIEF HISTORY OF THE FINANCIAL POLICY OF THE AMERICAN GOVERNMENT, FOR THE LAST SEVENTEEN YEARS, FROM 1862 TO 1879.

1. In 1861 a great civil war broke out in the country, involving the integrity of the Union.
2. In 1862 began the Legal Tender Act, which was

framed to supply the means, men and money to sustain the Government.

A loan of two hundred millions was effected with the State banks; but when they found, that their notes were to be deposited in the "Sub-Treasury," *and not left with the banks*, subject to check, and that they *might* be called to *redeem their notes in coin*, they threw up most of the loan, and offered their *irredeemable* notes to the Government, as money. (See Spaulding's "History of the Legal Tender Money.")

3. Secretary Chase preferred "*the credit of the Government, cut up into small pieces, and circulated as money.*"

4. Then began the Legal Tender Acts, which put into the circulation, in the course of eight years, about \$2,800,000,000 in different forms of legal tenders, of which \$430,000,000, was in the form of greenbacks. Every one of these Acts was accompanied with a *Funding Section*, which provided for the withdrawal of the legal tenders from circulation, and the funding of them into "long bonds," mostly six per cent. interest, payable in coin, and in five or in forty years at the option of the Government. (See Spaulding.)

5. These Legal Tenders passed into the circulation, as money, and in the course of ten years—from 1862 to 1873—were gradually absorbed in the "long bonds;"—withdrawn from the circulation, because the capitalists preferred the credit of the Government, thus extended to them at six per cent. in coin, to any private investment of their money in the labor and enterprise of the country at large.

This was largely due to *foreign capitalists*, who were eager to invest their surplus capital in the Government, *at a gold valuation* of the legal tender, which had then sunk to forty and fifty cents on the dollar in gold—and still, further, were payable in "*store orders*" on *foreign goods*.

6. The capitalists overdid the "absorbing process," having reduced the legal tenders to a legal currency of about \$350,000,000 and brought on the "panic of 1873."

7. Meanwhile, by the Bank Acts of 1863-64, the national

banks laid their plans of turning the bonds into bank currency *without surrendering the bonds*. The Government made the bank circulation *as good as greenbacks*, and redeemable in greenbacks.

8. But the greenbacks must be brought under the *domination of gold*—not merely to an equal value, and made *convertible* into gold over the business counter, but *redeemable* by the full stress of the law. The whole responsibility of redeeming both the national bank currency and the greenbacks, is thus thrown on the Government, which can do this in no other way, if the notes are not *convertible in an open market, than by issuing more coin bonds*.

9. In pursuance of this policy of the gold capitalists, the Government was induced to pass the "Act to strengthen the Public Credit" (with the European capitalists) in 1870, making the whole public debt *payable in coin*; then, soon after, *surreptitiously* demonetizing silver, by stopping the coining of the silver dollar, and thus making gold the sole legal tender for the paper. But this monstrous legislation was repealed, when the *object* became too apparent.

10. Finally, the Act of 1875 made it compulsory on the Treasury of the United States to resume specie payments on January 1, 1879. This was the culmination of the gold and coin domination.

TARIFF.

FROM my earliest manhood I ever thought, that a good Government should encourage and protect its subjects as parents do their children. Inventors and manufacturers, in a new country, have to train themselves and then teach and educate their workmen and women, before they can succeed in turning raw materials into articles, which can compare with those of older countries. Moreover, workshops and factories should start and grow in order to develop home markets, so that the tiller of the soil and mechanic can benefit each other. The mason, carpenter, blacksmith, etc., are as indispensable to the farmer, as the farmer is to them. They create markets for each other's products, and become mutual consumers.

As early as 1846, I wrote the following letter to Hon. Robert J. Walker, political economist and free-trader, and since that date I have devoted much thought and time to Finance and Tariff, as may be noticed from what precedes and follows:

THE TARIFF BILL.

NEW YORK, June 15, 1846.

TO THE HON. ROBERT J. WALKER,

Secretary of the Treasury.

SIR: On the 6th of September last, I received from the Hon. C. W. Lawrence, Collector of the Port of New York, a letter, enclosing from your honorable self certain interrogatories, and requesting any information, which I might

be able to afford the Government in relation to my particular branch of business. My works were at that time just on the point of starting, and of course, I could not furnish any statistics, which would have been of a reliable nature. I thought it better, therefore, not to communicate with you, although I had for many years been led to look closely into our monetary and commercial regulations, and to arrive at certain definite conclusions in regard to the true commercial policy of our Government. At the earnest solicitation, however, of many persons, to whom my views were known, and who believe, that the present moment demands a public expression of opinion on the part of those, whose business has led them to pay especial attention to these matters, I am induced to request your attention to the following outline of the true principles, which, in my humble opinion, should guide the action of the Government in the present position of our commercial relations.

The true policy of every Government looks to national wealth and independence; in other words, the security of the rewards of honest industry to individual enterprise, and the production within its own limits, as far as practicable, of whatever is necessary for the support and happiness of its constituent members. The earth is the sole source of wealth—1st, by the mineral treasures, contained within its bosom; 2d, by the vegetable productions, which it furnishes upon its surface. To obtain either, two things are necessary—physical labor and human ingenuity; and to apply these two agents most perfectly and successfully, mankind must not endeavor to labor in both fields; but one portion must devote itself to agricultural pursuits, while the other must be employed in developing and giving a useful form to the crude masses, in which Nature has seen fit to place her treasures. The value of a day's labor will be that amount, which furnishes a comfortable subsistence to the laborer and his family, and enables him to lay by sufficient to meet the wants of sickness and old age; and the natural standard of value will be some article,

whose bulk is small in comparison with the cost of producing it, and which, for a long period of time, is least subject to wear and variation. Just in proportion, then, as a nation so distributes its labor, that there is a mutual dependence between its members, and the results of its industry are so varied, as to meet the wants of the whole community, and its standard of value is uniform, just in that proportion does it approximate to the perfection of political organization; just in proportion, on the other hand, as it confines itself to one particular channel of industry, and is dependent on foreign nations for everything else, and its standard of value is ever wavering and uncertain, in that same proportion is it ill-governed and certain to entail ruin and misery upon its members. The practical bearing of these cardinal principles, obvious enough in themselves, will perhaps be shown in a more striking and forcible light by a practical illustration, in itself an argument, and leading to certain conclusions, which I cannot help thinking, will leave no doubt as to the course of policy, which the Government of the United States should pursue in the present crisis, as its action at this time must determine the destinies of the country, for good or for evil, for many years to come.

Let us suppose two separate and independent Governments to exist in the same country, separated from each other only by a narrow stream; possessing the same natural advantages, the same energy of character, and adopting as the measure of the value of property, one uniform currency. For the sake of convenience let us distinguish these Governments as the upper and lower. After many years of uniform progress, during which time their only circulating medium was composed of gold and silver, or for the sake of transportation, of certificates of the actual possession of gold and silver, let us suppose, that the upper Government fancied that its condition could be bettered by pouring paper money, not representing the actual possession of gold and silver, into the volume of its circulating medium. The effect is obvious, and is set forth in the language of

Washington, when he declares, "That in exact proportion as you pour paper money into the volume of circulating medium, in that proportion will every thing in a country rise in price." A bushel of corn, although it will feed no more; a day's labor, although it will produce no more, will be increased in price. Is it not clear, then, that the lower Government, adhering to its old, unadulterated standard of value, will continue to produce the bushel of corn at the old cost, carry it across the river and sell it for the advanced price? And so long as the old or upper Government continues to redeem its bills with silver or gold, just so long will the lower Government continue to send over the river every article, that it can possibly spare, and will find it to its interest to take nothing in return but silver and gold, as everything else it can obtain at home at a cheaper rate. This traffic will continue, until the upper Government finds, that the operation of its internal trade becomes so embarrassed by the absolute want of silver and gold, that some remedy must be devised. It must stop this continual drain of specie, and therefore it attempts to fence out its neighbors by a tariff of heavy duties, the immediate operation of which is, if paper money is allowed to increase, to add the amount of the duty to the previous price of every imported article then in the country; and this advance in price would straightway be seized upon, by those immediately interested, for pouring another issue of paper money into the volume of circulation. The immediate effect of this increase of paper money would be an advance in price; importations would again commence, the tariff must again be raised, and high prices and high tariffs would go hand in hand, until by such a course of policy expensive, idle and luxurious habits would be diffused among the people to such an extent, that in accordance with the immutable laws of trade, where there is consumption without production, they would become involved in one general ruin, opening wide the chances for a few to amass huge fortunes, that they had never earned, out of the gen-

eral wreck of the many. An attentive consideration of these principles will lead to three natural conclusions:—

First, That it is the duty of every Government to secure to itself the most uniform and intrinsically valuable standard of value possible; a standard, which the experience of all time has proved to be gold and silver; in other words, that the circulating medium of a country should be composed of gold and silver coins, or paper representative of the actual existence of gold and silver, dollar for dollar, *or representative of property, the actual accumulation of labor done.*

Second, That a tariff, based upon a currency, which is uncertain and fluctuating in its nature, will in itself be utterly inefficient to produce the effects for which it was designed, and will be but the first act in the great drama of expansion, convulsion and general bankruptcy.

Third, That between countries, starting in the race of political existence at the same time, with the same energy and the same natural advantages, and adopting one uniform standard of value, no tariff of protective duties would be necessary or ought to be adopted.

How then does the past policy of our country square with the principles, stated in these three conclusions?—And first as to its standard of value. From the earliest history of this country, as an independent Government, instead of confining our currency to gold and silver and to *paper representative of labor actually performed*, as has been mainly the policy for many years of those countries, from which we import most, we have allowed paper to be issued, which has its value founded—not upon the accumulations of honest industry—but upon the confiding faith of an unsuspecting public, and the desire of many men to do business beyond their means.

The result has already been shown; and while at first all were ready to admit, that a protective tariff was necessary to develop these mineral treasures, that Nature has showered upon us in such abundance, and to mingle with the

music of her waterfalls the busy hum of machinery, and to afford a ready, convenient and certain market for our agricultural produce ; men, finding that the tariff did not produce the effects anticipated, have been induced to attribute its failure to its own inherent weakness, rather than the true cause, namely, an ever expanding and contracting currency. We have already seen, that a tariff, founded on such a basis, must from the nature of things be inefficient, deceptive and futile.

But does it hence follow, that a protective tariff is not necessary for this country to induce the manufacture of those articles, the raw material for which is found here in as great perfection, and can be wrought into useful and necessary articles, with as little expense of human labor as in any other country in the world ? In our original parallel we started the two Governments in the race of political existence at the same time, and hence we reached the third conclusion above stated ; but in order to understand the true position of this country in regard to other producing countries, we must vary the parallel in this wise. We must suppose the upper Government had been in existence for a thousand years, continually advancing in science, knowledge of the arts, the development of its internal resources, the experience of its producing classes and in population, till at length a large number of its inhabitants concluded to emigrate into a new land, possessing advantages and resources superior even to those of the mother country, but which required industry, ingenuity, capital and time to develop. The raw material, from the fertility and adaptation of the soil, they could produce, with much greater facility than the mother country ; but from the unfortunate adoption of a paper currency, the want of capital to start a manufacturing system successfully, and the great demand for labor consequent upon a new settlement, the cost of producing the finished article would be considerably greater than in the mother country, even with the difference of freight in their favor.

The result is, that to the extent, which the mother country absolutely requires the natural produce of its offspring, the latter will be supplied with the manufactured article. Any surplus of agricultural produce, which they may have beyond that limit, will first tend to lower the price of the whole raw material of the country, and must finally be left to decay.

What, then, are the remedies, that should be applied? In the first place, the standard of currency must be at least as valuable and uniform as in the mother country. It will then, and not till then, become apparent what amount of tariff must be imposed to offer a sufficient bounty to capitalists to invest their property in manufacturing establishments. It is plain, that the amount of bounty required would be just enough to counterbalance the advantages, which the mother country possesses, in having had her manufacturing system in operation for a series of years. With our currency, regulated in this way, and with the natural and political advantages, which we possess, freed as we are from standing armies and the load of taxation, which weighs the nations of Europe down to the earth, our countrymen would be astonished at the small amount of uniform bounty, which would be required to open a thousand channels of domestic industry, and afford a home market for almost every article of domestic growth. And the competition, which would be the necessary result of an extended manufacturing system, would soon bring the article to the lowest price, at which it could be afforded.

In this country millions are already invested, and thousands of operatives are usefully and successfully employed in the various manufacturing pursuits. By well directed efforts of capital and skill, the country has been furnished with almost every species of manufactured articles of better quality and mainly at cheaper rates, than has ever before been the case on the average of any ten previous years; and our farmers have had a sure and steady market at home for every variety of agricultural produce to the extent of

the wants of all the persons, employed in manufacturing pursuits. Will it stimulate the industry of our country, or secure the rewards of labor to the hands, that earn them, by adopting such a course of legislation, as will sacrifice these millions, and turn these thousands out of employment? Certainly not; for in exact proportion as men are made sure in the rewards of honest and useful labor, they become prosperous, virtuous and happy; and in the same proportion as men are deceived and deprived of their just rewards, they become discouraged, vicious and desperate. A course of policy, that will give the greatest stability to the operations of trade, and excite the fewest apprehensions of coming distress and pressure, will best promote the substantial interests of the country. I would, therefore, venture to suggest the only means, that seem practicable to effect this object.

First—I would recommend the immediate adoption of the Sub-Treasury, and that its action upon the currency should be made gradual, by the collection of twenty per cent. of the revenue in specie every year, until the whole amount should be collected in gold and silver.

Secondly—I would recommend, that the changes in the tariff should also be made, to take effect gradually, and that the duties should be of a specific nature, and not on the *ad valorem* basis; because the latter allows persons devoid of honesty to resort to fraud, and break down every merchant, who may pursue an honorable business; because it subjects the revenue to constant change in amount, just as the prices of imported articles rise and fall, the revenue being least, when the Government needs it most. And, finally, because, when the prices are high and the manufacturer needs no protection, it affords him protection of the amplest kind; but when prices are low, and the manufacturer must, if ever, shield himself under the tariff, but very slight protection is afforded. This will be made apparent by referring to a list of prices of any one leading article for some years back. The price of iron, for example, as shown by

the books of Messrs. Jevon, Banks & Co., of Liverpool, has fluctuated from £15 in 1825, to £4 10 in 1843, per ton, and within the past eighteen months, from £7 to £11. What protection would an *ad valorem* duty have afforded in 1843, when the English were seeking a market at any price? It must have produced the immediate stoppage of every rolling mill in this country. The same facts would be shown by referring to any other leading article. I would suggest, therefore, as the proper course, that the Government should ascertain as soon as may be practicable, and as accurately as possible, what articles are paying a duty injurious to the best interests of our country, and that the excess of duties, now imposed in a specific form on those articles be gradually reduced, say twenty per cent. per annum, until the whole amount, collected by the operation of the tariff, be barely sufficient to meet the wants of an economical administration of the Government. We should thus gradually arrive at a tariff, based upon a revenue standard, and at the same time afford protection to the manufacturer in such a way, that he could be ready for each change in the tariff, until it reaches the revenue basis.

Thirdly—The Sub-Treasury should be made to take effect at least one year, before any change of the tariff should go into operation, in order to give it time to bring the currency under its influence, and prevent the banks and enemies of the present administration from producing a panic, by operating on the fears and affecting the interests of the community to such an extent, that it might result in a change of administration, and bring again into power those, whose favorite idols are a national bank, a high tariff, and inflated currency, with all their terrific power for mischief, “fertilizing the rich man’s field with the sweat of the poor man’s brow.”

I should hardly have ventured to obtrude my views on these subjects upon your attention, although they are the results of the experience of more than forty years, incessantly devoted to mechanical and mercantile pursuits, were

I not deeply impressed with the conviction, that the masterly policy, sketched out by the Government of Great Britain, will render the action of the present Congress, upon the great questions of the currency and the tariff, more deeply fraught with good or evil to the best interests of the country, than at any period within my recollection.

In all the changes, which the wisdom of our Congress shall see fit to adopt, the proposed changes in the commercial policy of Great Britain should be kept strictly in view. That Government finds, that by reason of past restraints on its own commerce, it has eaten its bread for thirty years at \$9 per barrel, and that by a radical change of its own policy the price may be reduced to \$6 per barrel, thereby widening its own market, already nearly co-extensive with the world, and becoming in our own market a more formidable competitor, in the same proportion as its bread is made cheaper. Will it answer then for this Government, at this moment, to aid the already overgrown capital of Great Britain, to break down the manufactures of our country, that are just struggling into existence, and force these operatives, at present engaged in manufactures, into competition with the agricultural producers, instead of being the consumers of the results of the labor of the latter?

No one more ardently desires a free and unrestricted interchange of commodities between the two countries than myself, and no one more firmly and hopefully believes, that the day will come, when the ports of both nations will be thrown wide open to every flag, that waves upon the ocean—a consummation, which the recent auspicious action of the Senate on the Oregon question is well calculated to forward; but in endeavoring to effect this desirable object, we should not blindly and hastily uproot the very system, which we have for years been endeavoring to encourage; but the change should be made gradual, so as to allow time for the full development of our internal resources, the application of our water powers to the purposes, for which Nature prepared them, the acquirement of the requisite

skill and the investment of the necessary capital to carry on our manufactures successfully. Our fellow citizens would then feel certain of a permanent system, and a sure guarantee, that the just rewards of ingenuity and skill would be secured to individual enterprise; and the good and great of every land, who have their eyes fixed upon this country, as the precursor and harbinger of a better humanity throughout the world, would be cheered and encouraged with the conviction, that after seventy years of independence, both the people of the United States and their Representatives are still looking to the only objects, worthy of a liberal Government—the best interests of all classes in our common country, and the onward progress of free principles.

I have the honor to be,
 Very respectfully,
 Your obedient servant,
 PETER COOPER.

LETTER TO HON. H. J. REDFIELD.

NEW YORK, January 17, 1868.

SIR: Your letter, dated December 24, 1867, addressed to me, in the *Batavia Spirit of the Times*, and republished in the *EVENING POST* of the 6th instant, has, within the past few days, been called to my attention, and I now take the earliest opportunity of replying to it.

I am pleased to receive the views of an old and respected citizen on the subjects on which it treats; and, although we have arrived at different conclusions on these subjects, yet the discussion of them in a frank and kindly manner cannot be otherwise than useful.

For myself, I am indeed conscious, as you remind me, that I am an old man, liable to error and frailty, as we all are, but yet I trust, not so warped either by my prejudices or my interest as to be incapable of the honest investigation of arguments, presented for my consideration, even

though in opposition to long cherished convictions. And I will as frankly say, my dear Sir, that the record of your long and useful life gives assurance, that no unworthy influence will be permitted by you to sway your judgment or influence your conduct in this matter.

I have at the outset to complain of the manner of your reference to the tariff legislation of the country, as calculated to convey very incorrect impressions upon that subject, and mislead those, who are uninformed respecting it.

The inference, naturally to be drawn from your letter, would be, that the effort to stimulate domestic manufactures, which you illustrate by the figure of the people carrying an infant in their arms, was something strange and exceptional in the policy of civilized nations, and contrary to the genius of American institutions. You forgot, that the system of protection to home labor, which you so earnestly condemn, is to-day acted on by every civilized nation on the Earth, and has the sanction of the statesmen and rulers, not only in Europe, but our own country, whose wisdom mankind has acknowledged and universally respects. The principles, Sir, which you denounce with such severity, have been held from the beginning by the founders and great political teachers of the nation, men whom we are accustomed to honor, and whose opinions have just weight with us on other subjects. Among these I might name Franklin, Jefferson, Madison, Jackson and many others, whose recorded words defend and maintain the doctrine you decry. Of these I shall only quote the words of Jackson, whose advocacy of the principles of protection you seem to doubt.

ANDREW JACKSON ON THE TARIFF.

In writing to Dr. Coleman, in 1824, Andrew Jackson thus fully and unequivocally expressed himself on the tariff question:

"You ask my opinion on the tariff. I answer, that I am

in favor of a *judicious examination and revision of it*; and so far as the tariff bill before us embraces the design of fostering and protecting, preserving within ourselves the means of national defence and independence, particularly in a state of war, I would advocate and support it. The experience of the late war ought to teach us a lesson, and one never to be forgotten. If our liberty and Republican form of government, procured for us by our Revolutionary Fathers, are worth the blood and treasure, at which they were obtained, it is surely our duty to protect and defend them. This tariff—I mean a judicious one—possesses more fanciful than real danger. I will ask: What is the real situation of the agriculturist? Where has the American farmer a market for his surplus products? Except for cotton, he has neither a foreign nor a home market. Does not this clearly prove, when there is no market either at home or abroad, that there is too much labor employed in agriculture, and that the channels for labor should be multiplied? Common sense points out the remedy. Draw from agriculture the superabundant labor; employ it in mechanism and manufactures; thereby creating a home market for your breadstuffs and distributing labor to the most profitable account and benefit to the country. Take from agriculture in the United States six hundred thousand men, women and children, and you will at once give a home market for more breadstuffs, than all Europe now furnishes us. In short, Sir, we have been too long subject to the policy of British merchants. It is time, that we should become a little more Americanized, and instead of feeding the paupers and laborers of England, feed our own, or else, in a short time, by continuing our present policy, we should be rendered paupers ourselves.”

And in his second annual message to Congress, December 7, 1830, he closes an argument in favor of the Constitutional right to adjust the custom duties, as to encourage domestic industry with these words:

“In this conclusion I am confirmed as well by the opin-

ions of Presidents Washington, Jefferson, Madison, and Monroe, who have each repeatedly recommended the exercise of this right under the Constitution, as by the uniform practice of Congress, the continual acquiescence of the States, and the general understanding of the people."

But, not only has this principle of protection to domestic industry been advocated by the most illustrious of our American statesmen, but it has been received and acted on by every civilized nation on the Earth. It has been the steady policy of France since the days of Colbert, enforced more strongly and consistently by the first Napoleon, and (notwithstanding all that has been said about the "French treaty") steadily maintained by the present Emperor. In England for five centuries the policy has prevailed since the days of Edward the Third, and if twenty-five years ago she thought it practicable to relax the restrictions she had placed upon the importation of foreign manufactures, she is now aware of the mistake, and awaking to a sense of the fatal danger she incurred, and already her discontented operatives are demanding the restoration of protection against the cheaper labor of their continental rivals, and her farmers are claiming a prohibitory duty on foreign cattle, imported into the country. In Russia, that land so like our own in the magnitude of its undeveloped resources, the wisdom and necessity of fostering domestic production is understood and acted on. And in the history of the German Zollverein for the past five and thirty years is found at once the evidence and illustration of the wisdom of protection to home industry among a people, where all property is measured by a uniform standard.

THE TARIFF LEGISLATION OF THE UNITED STATES.

You give, Sir, in a condensed form, what you design as a history of the tariff legislation of the United States for the last fifty years. I do not regard it either as accurate or specific, as such a statement would need be for any safe

purpose of argument, and as I think, that exact information on this subject is of great importance, I take the liberty of quoting a passage from a letter of Mr. Henry C. Carey, which is valuable for the historical evidence it affords, that Governmental interference, on behalf of manufactures, has always produced general national prosperity, and that the withdrawal of that interference has as invariably resulted in industrial distress and commercial disaster :

“ Fifty years since, the second war with Great Britain came to a close, leaving our people well provided with mills and furnaces, all of which were actively engaged in making demand for labor and for raw materials of every kind. Money was then abundant, and the public debt was trivial in amount.

Two years later we entered upon the British *free trade* system, and at once all was changed. Mills and furnaces were closed ; labor ceased to be in demand ; and our poor-houses were everywhere filled. Money becoming scarce and interest high, land declined to a third of its previous price. Banks stopped payment. The sheriff everywhere found full demand for all his time, and mortgagees entered everywhere into possession. The rich were made richer, but the farmer and mechanic, and all but the very rich, were ruined. Trivial as were then the expenses of the Government, the Treasury could not meet them. Such was the state of things, that induced General Jackson to ask the question, ‘ Where has the American farmer a market for his surplus produce ? ’

To the state of things here described were we, in 1828, indebted for the first thoroughly national tariff. Almost from the moment of its passage, activity and life took the place of the palsy, that previously existed. Furnaces and mills were built ; labor came into demand ; immigration increased, and so large became, the demand, for the products of the farm, that our markets scarcely felt the effect of changes in that of England ; the public revenues so rapidly increased, that it became necessary to exempt from duty

tea, coffee, and many other articles; and the public debt was finally extinguished.

The history of the world to that hour presents no case of prosperity so universal as that, which here existed at the date of the repeal of the great national tariff of 1828. Had it been maintained in existence, we should have had no secession war, and at this hour the South would exhibit a state of society, in which the land owners had become rich, while their slaves had been gradually becoming free, with profit to themselves, to their owners and the nation at large. It was, however, repealed in 1833, and the repeal was followed by a succession of British free-trade crises, the whole ending in 1842 in a state of things directly the reverse of that above described. Mills and furnaces were closed; mechanics were starving; money was scarce and dear; land had fallen to half its previous prices; the sheriff was everywhere at work; banks were in a state of suspension; states repudiated payment of their debts; the Treasury was unable to borrow a dollar, except at a high rate of interest: and bankruptcy among merchants and traders was so universal, that Congress found itself compelled to pass a bankrupt act.

Again, and for the third time, protection was restored by the passage of the Tariff Act of 1842. Under it, in less than five years, the production of iron rose from two hundred and twenty thousand tons to eight hundred thousand tons; and so universal was the prosperity that, large as was the increase, it was wholly insufficient to meet the great demand. Mines were everywhere being sunk. Labor was in great demand, and wages were high, as a consequence of which immigration speedily trebled in its amount. Money was abundant and cheap, and the sheriff found but little to do. Public and private revenues were great beyond all previous precedents, and throughout the land there reigned a prosperity more universal than had, in the whole history of the world, ever before been known.

Once more, in 1846, however, did the Serpent—prop-

erly represented on this occasion by British free-traders—make his way into Paradise, and now a dozen years elapsed, in the course of which, notwithstanding the discovery of California mines money commanded a rate of interest higher, as I believe, than had ever been known in the country for so long a period of time. British iron and cloth came in and gold went out, and with each successive day the dependence of our farmers on foreign markets became more complete. With 1857 came the culmination of the system, merchants and manufacturers being ruined, banks being compelled to suspend payment, and the Treasury being reduced to a condition of bankruptcy, nearly approaching that, which had existed at the close of the free-trade periods, commencing in 1817 and 1834. In the three years that followed, labor was everywhere in excess; wages were low; immigration fell below the point, at which it had stood twenty years before; the home market for food diminished, and the foreign one proved so utterly worthless, that the whole export to all the manufacturing nations of Europe, as I have already stated, amounted to but little more than \$10,000,000."

The losses, brought on our country by a failure on the part of the Government to steadily protect the great industries of the nation, ever strikingly manifest by the loss to the whole country of a steam marine, which was won for us by men, who deserved a better fate than they received. It was for the want of a few paltry millions to protect a steam marine, so nobly won and of such inestimable value to our country—it was because of the failure of our Government to protect its "child"—that England was permitted, by her protective policy to her own steamships (at but a small cost) to distance us in a race for supremacy in ocean steam navigation, and take from us a steam marine, that would have been worth thousands of millions to our country, and would possibly have saved us from the terrible war through which we have passed.

INFANT MANUFACTURES.

You refer, Sir, with some sarcasm, to the "infant manufactures," which you think have been so long carried in the arms of the people, to their wrong and cost, as you suppose, and assume the superiority of European productiveness, and suggest, that our incapacity to manufacture being thus established, we should abandon our effort at deliverance from our industrial bondage to the Old World. To this, Sir, I reply that while, as I have stated, the countries of Western Europe have for centuries enjoyed constant, persistent and adequate protection, never relaxed, never abated, until it was rendered unnecessary by the natural growth of their "infant," our manufacturing system has not had either constant or adequate protection for more than four years at a time, and that only twice before the Rebellion. The compromise tariff of 1833, being avowedly designed as a measure, calculated and intended to lead toward free-trade, as the writer can personally testify from his conversations had with Mr. Calhoun at the time.

You speak of the "larcenous provisions" of tariff acts to which you allude, as though a great wrong had been inflicted on the masses of the people for the benefit of the "class" of manufacturers. You forget or you ignore the fact, that the time, when these manufacturers thus prospered, labor was in demand and wages high, immigration increased, farm products found a large and profitable home market, the revenue was abundant, merchants and farmers were alike successful, and general prosperity prevailed. You forget or you ignore the fact, that in stimulating domestic manufactures we but increase the demand for agricultural produce, and bring to the farmer's door a market more certain and more profitable, than he can possibly find abroad.

You speak of twenty-five years (!) of "high protection," as though the manufacturers of the country alone were interested, putting aside entirely the consideration of the fact,

that all the taxation, needed for the nation's wants, was supplied from this source; that thus the visits of the tax-gatherer to the farmer were entirely dispensed with, and most articles in general consumption among our people, such as tea and coffee, were rendered exempt from duty.

PROFITS OF MANUFACTURERS.

You indict the manufacturers of the United States for their selfishness and want of patriotism, in securing the enactment of protective laws, and contrast with it the course, which you allege to have been pursued by the farmers. Sir, I do not care to enter on the ungracious task of comparing one class of my fellow-citizens with another, the more so, as during the late fearful trial, through which our country has passed, the magnanimous and self-sacrificing patriotism of them both has been so conspicuously vindicated; but, as one of those implicated in the charge you make, I may, perhaps, be permitted to state one fact from my own personal experience as a manufacturer, calculated to show, that, if we had been grasping, as you represent, our object of making large gains has, at least, not been accomplished. During a period of over thirty years, engaged in the manufacture of iron, the capital invested by me has not on the average yielded me four per cent. per annum, and this with all the skill, energy and perseverance, which I was able to command in promoting its profitable employment; and that my own case was not exceptional may be gathered from the fact, that during the same period nearly, if not quite all my brother manufacturers, who were engaged largely in the same industry, were compelled to succumb to the pressure of adverse circumstances, caused by the fluctuating policy of the general Government, and to pass into bankruptcy.

Such has been the experience, through which the men of enterprise, genius and capital have passed, who were induced to volunteer at the time of the country's greatest need

as pioneers in the great work of establishing our manufacturing independence, and at the sacrifice, in most cases, of their own fortunes, laid the foundation of that noble fabric of industrial independence, which we rejoice to see now rising solid and symmetrical in this great land.

THE TARIFF AND THE WOOL-GROWERS.

That the farmers sought, and rightfully sought, protection, when their interests demanded it, the experience of the sugar-planters of the South and the wool-growers of the North abundantly testifies ; and I must confess my surprise at the representation you make of the recent legislation in favor of the growers of wool. You say, "it is believed by many, that the wool-grower is at length, under recent acts of Congress, equally protected with the manufacturer. It may be so. The stable door may be locked after the horse is stolen. But in the meantime the manufacturer has been made rich—has doubled and quadrupled his capital, while the wool-grower has grown poor, and in many cases lost his capital."

You remember, Sir, that at the close of the last session of Congress, after a bill, designed to amend the present tariff law, had been rejected in the Senate, chiefly through the influence of the Western States, a wool tariff was suddenly enacted, having for its special object the interest of the wool-growers of the country. For this tariff, I rejoice to know, the true friends of domestic industry in Congress, with a noble consistency, voted, albeit their own plan of legislation had but just been defeated by the Representatives in the Senate of these very wool-growers. I regret, Sir, that you do not appreciate the benefits, thus accorded to this branch of agricultural industry—that you do not, I think, is attributable to your failure to examine the facts—for the very objection you make, that the recent law has not benefited wool production, has been thus well answered in the monthly report for December, 1867, at the Department of

Agriculture, in which, on this subject, are the following words :

"The close of the war found full supplies of woollen goods, and immense stores of unused army clothing ; and in anticipation of legislation, affecting importation nearly as many woollens were introduced in a single year as were imported during the entire period of the war. In this state of facts, utter annihilation of wool-growing and manufacturing was only prevented by the operation of the law in repressing further importation, and inspiring confidence in the future, when the immense surplus should be exhausted. It has produced all the advantages, that its most sanguine friends could claim for it, in preventing, in a large degree, ruinous depression and the sacrifice of flocks, and in paving the way for entire success for the future, which shall benefit every interest of agriculture and every branch of industry."

THE MORRILL TARIFF.

You speak with vehement execration of the Morrill tariff of 1861, as "capping the climax in the history of this iniquitous legislation ;" but entirely overlook the circumstances, under which that measure was passed. The free-trade tariff of 1857 has just produced the effects, which were expected from it by the wisest thinkers in the land, and the condition of things, then existing, was well described in the following extract from Mr. Carey : "With 1857 came the culmination of the system. Merchants and manufacturers became ruined, banks being compelled to suspend payment, and the Treasury being reduced to a condition of bankruptcy. In the three years that followed, labor was everywhere in excess. Wages were low, immigration below the point, at which it had stood for twenty years before, the home market for food diminished, and the foreign one proved so utterly worthless, that the whole export to all the manufacturing nations of Europe amounted to little more than \$10,000,000." Such was the condition of things,

that suggested the necessity of the Morrill tariff, which was a change in the policy of the country, the necessity of which had been made palpable by the undeniable failures of the free-trade policy of 1857. But never was a law so misrepresented as this has been. Forgive me, Sir, if I express a doubt as to your having yourself accurate information on the subject.

THE PROTECTIVE POLICY OF FRANCE.

To illustrate, I shall compare it in those branches, with which I am myself most familiar (connected with the iron industry) with the celebrated Anglo-French treaty, adopted a few months previously between the French and English Governments, and the praises of which have been so widely sung as a glorious triumph of "free-trade principles." It was declared to be an abandonment by France of her "protective system."

NAMES OF ARTICLES.	Quantities.	French duties under the Anglo-French treaty in American money.	United States duties under the Morrill tariff.
Iron, pig and old cast iron.....	ton.	\$4 39	\$6 00
Iron, old broken, wrought.....	ton.	6 35	6 00
Iron, bar.....	ton.	13 68	15 00
Iron, railroad.....	ton.	13 68	12 00
Iron, sheet.....	ton.	25 41 to 81 28	20 00 to 25 00
Iron manufactures; pipes and solid columns.....	ton.	8 30	11 20
Iron manufactures; heavy wrought	ton.	17 58	20 00
Iron manufactures; small wares..	ton.	29 32	22 40
Iron manufactures; cut nails....	cwt.	97½	1 13
Iron manufactures; wrought nails	cwt.	1 46½	2 24
Iron manufactures; anchors, chains, cables.....	ton.	19 54	30 to 33
Iron manufactures; tubes of wrought iron, large.....	ton.	25 40	44 80
Iron manufactures; tubes of wrought iron, small.....	ton.	48 85	44 80
Steel in bars of all kinds.....	lb.	1½	1½c. and 2c.
Steel in sheets above ¼ of an inch thick.....	lb.	2	2c. and 15 ¾ c.
Steel in sheets under ¼ of an inch thick.....	lb.	2½	2½ and 15 ¾ c.
Steel tools in pure steel.....	lb.	3½	30 ¾ c.

Its general character may be learned from the above table, exhibiting the duties on English goods, imported into France, and the duties levied on the same kind of goods under the Morrill tariff.

From an examination of these figures it will be seen, that the actual duties on these goods were nearly, if not quite, as heavy (on the average) in the "Free Trade treaty," as in the "iniquitous Morrill tariff," and if the difference between the price of labor in France and the United States be taken into account, more strictly "protective." And this, Sir, is the climax of iniquitous legislation, which you regard with such abhorrence!

HENRY C. CAREY.

You mistake in supposing, that I quoted from the works of that worthy and able man, Matthew Carey. I did not, but I did from his illustrious son, Henry C. Carey, who is the author of that system of social science, which, rising above, although never going contrary to, the objects of mere economy, seeks to harmonize and advance the social and moral, as well as the material interests of mankind; which expounds and maintains the true and harmonious interests of industry, and seeks by the elevation of the individual man to promote the happiness and prosperity of the nation. This prophet may not as yet have accorded to him in his own country the honor, which is his due, but already do the principles of his benign philosophy begin to prevail. His works have been translated into six of the Continental languages, his teachings are studied by the statesmen and *savans* of Europe, and the people of Russia, Germany and Hungary, as well as of Italy and France, have to appreciate his wisdom.

Here the shallow sophisms of the teachers of a foreign school, to whom you refer, have gained a temporary popularity, but the light of truth is now penetrating our schools and colleges, as well as our farms and workshops; and the American mind is being imbued with the necessity of es-

tablishing a great system of national industrial independence, whatever the "philosophers" of Manchester, or Birmingham, or Paris may say.

THE NATIONAL POLICY.

I uphold, on the very ground that you oppose, a protective tariff—its bearing on the great body of consumers, especially the poorer classes, for the reason that nothing can be purchased cheap of foreigners, that must be purchased at the cost of *leaving our own labor unemployed and our own good raw materials unused.*

It is because all experience has demonstrated, that the surest and shortest way to cheapen the cost of goods to the consumer is to foster their home production, that I am an advocate for protection.

It is because good wages are necessary to the comfort, the independence and the elevation of the workingman, that I protest against bringing his labor into competition with that of the workmen of Europe.

It is because I desire the farmer to have a near, constant and profitable market for his meats, grain, fruit and vegetables, and manure to refresh his land, that I desire the industry of the country to be diversified and the cost of transportation diminished.

It is because I desire the manufacturer to have security in the investment of his capital and the employment of his energy in manufacturing enterprise, that I desire a fixed and stable tariff policy.

It is because I desire such a development of the resources of the country, as will render labor profitable and capital remunerative, and so induce the immigration of men, of money and laborers from Europe, that I advocate this great national policy. Not because I wish the enrichment or elevation of one class at the cost of another, but because I long for the prosperity of the entire people, whose interest in this question of national production is one.

It is because I desire the political power and the financial honor of this nation to be established and vindicated before the world, that I seek to maintain the tax-paying power of the people by promoting, by wise and salutary legislation, the general prosperity.

With regard to the question of indirect taxation, on which you speak so strongly, the length to which this letter has extended prohibits any protracted comment; but I may say, that the experience of all commercial countries from time immemorial, has approved such taxation. England, so well versed in the art of tax-levying, has found custom duties her most effective and convenient method. By the same means and with a facility perhaps more remarkable, the United States have from the beginning mainly supplied the wants of her Treasury.

On this subject I will only further add the warning voice of Chancellor Kent against a reliance on direct taxation to maintain the Government and pay the national debt. He assures us "that as soon as the old confederacy of States was ratified, the States began to fail in a prompt and faithful obedience to the laws; and, as danger receded, instances of neglect became more frequent, and by the time of the peace of 1783, the delinquencies of one State became the apology for another, until the idea of supplying the pecuniary wants of the nation from requisitions on the State was found to be a phantom."

With sincere personal regard, I am, dear Sir, yours very faithfully,

PETER COOPER.

Hon. Heman J. Redfield, Batavia, N. Y.

PETER COOPER'S ADDRESS BEFORE THE AMERICAN INDUSTRIAL LEAGUE, MAY, 1868.

GENTLEMEN.—I have taken the liberty to invite you to this Conference, as the friend of American industry. The object, as expressed in the letter of invitation, is to take counsel as to the present condition of our industrial and

financial interests, and to enforce the necessity of increased efforts to awaken and instruct public sentiment on those subjects; and also, I may add, to encourage the adoption of those measures, that will most effectually promote all the substantial interests of our common country.

The present time, Gentlemen, is peculiarly appropriate for such a conference. We are on the eve of a new administration, which, we have reason to believe, will be characterized by a marked and peculiar anxiety to restore public confidence and credit, as the best means to invigorate all the varied industries of a nation. We believe, that the man, who, we hope, will soon stand at the head of that administration, will surround himself with men in full sympathy with every industrial interest. Let us then give a word, not only of counsel but encouragement, to the man, to whose hands may so soon be confided the guidance of the ship of state.

More than three years, Gentlemen, have elapsed since Lee's surrender and the final suppression of the Rebellion, and yet, although financiers, economists in the Cabinet and in Congress, have during all that time been exercising their science and their skill to bring about specie payment, the premium on gold is nearly as high as it was on that sad day, on which the martyred Lincoln found his death; and to all external appearance we are as far from that result now as we were at that time. This fact may be humiliating and discouraging to us as Americans, who know the wealth and capacity of our country, who know, too, the unalterable purpose of our people to maintain at all cost the nation's credit, and to secure the national solvency, against all the plots of repudiators or rebels, whether at the North or at the South. But it is surely suggestive of the necessity of adopting, without a day's delay, a change in the financial policy of the country, which has thus worked so badly.

The three years, which have thus passed, have been marked by enormous, unprecedented importations of goods, the products of foreign labor. "We have thus" (to em-

ploy the language of a Gentleman, to whom the producers of this country owe a debt of lasting gratitude for his indomitable and useful efforts in behalf of the industry of the country, I mean Mr. E. B. Ward, of Detroit), "paid to foreign countries all our cotton, corn and other of our products, that they would purchase; we have paid them all the accumulated gold and silver we had before the war; we have paid them twelve hundred millions of dollars worth of our State, railroad and national securities, which Europe now holds and upon which she receives annual interest; and we are still paying her all the precious metals we obtain from our mines."

We know, Gentlemen, that the national debt, the price paid for the nation's life, can only be paid by the labor of the people of the United States, by increasing the production of the country and securing the industrial prosperity of all classes of our citizens—and yet the policy, which we advocate, of protecting and stimulating our domestic industry to accomplish this, is resisted and ridiculed by men in public position and large holders of our national securities, as well as by that large and powerful class, especially in our seaboard cities, whose pecuniary interests, as importers, agents, and merchants, are directly and deeply identified with those of the manufacturers of Great Britain and Continental Europe—and so we find efforts most zealous and persistent are being made to circulate among the masses of our people the unsound and impracticable theories of free trade and an immediate return to specie payment, while we are a debtor nation to the amount of some sixteen hundred millions of United States, State, railroad, and municipal securities, on which we are paying interest to foreign nations, with a balance of trade against us in gold of \$136,000,000 during the year 1867.

What we require for a healthy resumption of specie payment, is a relief from all excessive internal taxation, with such an adjustment of duties on foreign imports, as will bring the balance of trade in favor of the United States.

We find, in the face of these facts, that eminent American citizens, and eminent American journals, have lent and are lending their powerful, but ill-directed influence, to the furtherance of this fatal policy.

Perhaps, it should not be thought strange or wonderful, if great and good men should imperceptibly run into errors, in an effort to reduce so complicated and difficult a subject, as that of free trade and protection to a positive science.

Science, although it may be represented by a line of no variation, will, nevertheless, be better understood by calling science, knowledge demonstrated by facts, wrought out in the actual experience of mankind. Experience teaches, as the poet says, that "with man a thousand movements scarce one purpose gain, while with God, one single can its end produce, and serve to second to some other use."

In our efforts to carry out this beautiful theory of free trade, we find ourselves compelled, by circumstances beyond our control, to meet and overcome difficulties, like the mariner, who desires to go to a distant part of the world.

The mariner has the north star, his chronometer and compass, to guide him by night—he has the sun, his compass, quadrant and chart to aid him in his course by day, which enable him to pass through winding channels and around islands and shoals, that are directly between him and the object of his desire. So it is with us; we are compelled to find our way by the light of experience, out of the artificial windings, and around the islands and shoals, that ignorance and avarice have placed in the path of a world's progress.

The true object of all government is to prevent the strong from oppressing the weak, and to obtain for a whole people that security and those comforts, which the same people could not obtain for themselves by acting in their individual capacity.

The very idea of a government carries with it the idea of the embodied power and wisdom of a people. A power to be used to establish justice, and promote the general welfare.

A wise government, acting for the good of all, would carefully examine so important a subject, as that of free trade or protection, before adopting either, as a matter, or system of state policy.

The subject of free trade and protection is one, about which a constant conflict has been going on for ages, and about which volumes have been written without coming near to a settlement of public opinion on what is, or would be, the wisest policy for a nation to adopt.

What renders the subject of free trade or protection so difficult to be understood and applied as a positive science, is the fact, that what would be wise and best for one state and condition of society, would be altogether unwise and inapplicable, when the wants of the same people and the means of supplying them, had changed with their condition. This we have verified in our own experience, in our own struggles for the nation's life.

A wise government, in our altered condition, would endeavor to ascertain how far free trade or protection, as a system of national policy, would affect the industry of a country under the circumstances, in which the country is then placed. A wise government should strengthen its own independence, by encouraging the manufacture of every article of necessity, where the raw material is in as high a degree of perfection, as it can be found in any other country, and where the material can be wrought into useful forms, with as small an expense of human labor as in other countries. None will contend, that we, as individuals, or as a nation, should depend upon others for those things, that we can manufacture for ourselves cheaper and better than we can buy them from foreign nations.

It may often happen with a young nation, where there is a want of capital, machinery and experience, that it will require, for a short time, some governmental encouragement to enable capital to combine and operate successfully, so as to encourage the industry of a country to put its raw materials into useful forms for its own consumption. Such gov-

ernmental protection may be given by bounties, or by incidental protection in the form of duties on similar articles, imported from foreign countries.

The advocates of free trade attempt to show the fallacy of protecting American industry, by the errors and mistakes, that the government has been drawn into by designing politicians, who have persuaded the government to establish custom houses, where there was literally nothing to collect, so that in some instances to collect a dollar, it may have cost one hundred dollars. With this species of argument the advocates of free trade are trying to demolish all protection to home manufactures. They do not tell us, as they should do, that after all the mistakes the government has made, that the actual cost of collecting the revenue is but three per cent., which is cheaper than it could be collected in any other way. That system, which will most effectually promote the industry of a nation, and secure the rewards of labor to the hands that earn it, may at all times be relied on as the best system, a government can adopt. I believe, that it will not be difficult to show, that there are conditions in a nation's life, when the extremes of free trade, or extreme laws for protection, would either of them derange the industry of a country, and thereby work great national ruin. To show this clearly in a few words we need only call to mind the fact, that all nations pass through changes, which are entirely beyond their control. All nations commence in weakness, wanting all that is needed to maintain a comfortable existence. Such is the dependence of one man upon another, that the farmer requires the help of the blacksmith, the wheelwright, the carpenter and mason, who are indispensable to his comfort and success. These and a variety of other branches of manufacturing industries, form a valuable home market for the farmer's products, and at the same time leave the refuse to enrich the land, that feeds them.

Nothing can be more clear and certain than the fact, that it is impossible for us, as a nation, to buy anything cheap from foreign countries, that must be bought at the cost of

leaving our own labor unemployed, and our own good raw materials unused. A well-directed system of diversified industry will always be found to be the surest source of national wealth and individual welfare.

The time has come, when every interest of our country requires, that the laxity, which has marked the expenditures of the people's money, since the opening of the war, must be summarily stopped. All unnecessary expenses of every kind must be cut off, the most rigid economy in our necessary expenses must be enforced—the frauds and peculations of office holders, which have grown to such frightful magnitude, must be exposed and prevented; and I am glad to say, that I have reason to know that, if Mr. Wade is called upon to assume the Presidency, the force of his administration will be directed to this object of enforcing frugality in our expenditures and integrity in our officers.

Our Industrial League, Gentlemen, has labored now for nearly twelve months in the promotion of the objects I have here adverted to. It has labored, not ostentatiously, or with much parade before the public, but yet assiduously and effectively. Its object has been to disseminate widely through the country the knowledge of facts and arguments, bearing on this question, and it has honestly sought the enlightenment of the people, in regard to it. In pursuance of this object, it has established as its organ *The National American*, which is recognized as an able and instructive exponent of our policy, and has been the means of circulating a vast amount of valuable information on the question, of which it treats, through Leagues formed in different States.

It has inaugurated the issue of a series of brief popular tracts (of which you see specimens before you) calculated, in an attractive and graphic manner, to present the leading arguments for protection, and to refute the impolicy of free trade in the present condition of our country. It has caused the delivery through the North and West of a number of speeches and addresses by gifted and trusted men, which have already produced a deep effect upon the Western mind;

and it has been useful in furnishing to friendly journals in all sections of the country original and early information on industrial and economical subjects, which is of value to our friends of the Press and the people, among whom they circulate.

It has labored earnestly, and not without advantage, in the effort to secure the abolition of the manufacturers' tax. The League is thus engaged in a good and useful work, and it only needs enlarged pecuniary support, in order greatly to increase the value of its labor.

We should not forget, that English merchants once petitioned their Government to "discourage the woollen manufacture in Ireland," in order to force all Irish wool to pass through English looms, before being converted into cloth for their own consumption. To accomplish this, according to Adam Smith, the government of England "made war to obtain colonies for customers."

In 1710, the House of Commons declared that "the erection of manufactories in the colonies lessened their dependence on Great Britain. In 1750, the erection of any mill for rolling or slitting iron was prohibited by law. In 1765, it was made a heavy penalty to export artisans or machinery of any kind to the colonies.

I thank, you, gentlemen, for the patience, with which you have listened to these remarks.

LETTER OF HON. JOHN COVODE, M.C., TO PETER COOPER.

"HOUSE OF REPRESENTATIVES, April 24, 1868.

"MY DEAR SIR: The pressure of public duties will deny me the pleasure of participating in person at "the Conference of the American Industrial League" on the 28th instant, but my most earnest sympathies will be present and active on an occasion of such interest and importance.

There never was a period in the history of the country, when the wisdom, if not the necessity, of protecting our domestic industry, was more apparent than at the present

time, when an unaccustomed national debt and taxation rest so heavily upon every branch of enterprise, and burden so seriously the labor of those, who earn their bread by the sweat of their brow.

The fact is painfully true, that more labor is now unemployed throughout the country than was ever before known, in comparison to the actual population, and experience demonstrates, that crime increases in proportion to the extent of idleness. The primary cause for this state of things is to be found in the excessive importations, which, not only enter into competition with and destroy our infant manufactures, but work a double injury by the drain of our precious metals and equally precious Government Securities. Under this ruinous system, the American people are sustaining the cheap and pauper labor of Europe, and through it the despotism of the old world, at the expense of our own free, intelligent and honest industry. With a soil teeming with mineral and agricultural wealth of every description, we are annually importing three or four hundred millions of the products of European agriculture and mines in the form of manufactured fabrics, thus augmenting the burdens, that already sufficiently oppress American labor, and stifling its prosperous development.

Protection is a natural law, by which every country seeks to promote the welfare of its own industry, and which those practise most thoroughly, who, like England, shout the loudest for so-called Free Trade. The nation, which neglects this duty, must expect to pay a severe penalty of privation and poverty. Its broad and generous principle is to bring the consumers and producers near together, to diversify the pursuits of labor, to establish harmony and unity among them all and, by well recompensed employment, to instruct, elevate and dignify the working man, so as to fit him for all the duties, and to entitle him to enjoy all the responsibilities of an American citizen.

Aside from this economic view, protection is the most patent and practical element of reconstruction, that can be

applied to the Southern communities, because it is that which, with wise legislation, will be most permanent, and which addresses itself directly to the reparation of that ruin and prostration, which are the natural consequences of an unprovoked Rebellion. When the interests of a people are harmonious and work together by a common impulse, political discontent must cease to exist. If the Tariff of 1842, modified by experience, had been permitted to stand, secession would have never raised its parricidal arm in the South, and slavery would have been extinguished by natural causes, without commotion or bloodshed. Let us not forget that instruction in the future, or fail to remember, that the influence of British Free Traders and their allies, who overthrew that beneficent policy in 1847, and thus planted the seeds, which expanded into civil war, in 1861, is again at work and seeking a new field for its pernicious designs. Protection is a bond of union for the whole country, North and South, East and West. With it, all sectional jealousies will disappear, and therefore its encouragement becomes a patriotic duty. With high respect,

JOHN COVODE.

HON. PETER COOPER."

" UNITED STATES SENATE CHAMBER,
WASHINGTON, April 17, 1868.

"DEAR SIR: I have received your favor of the 13th inst., requesting me to attend a conference of the friends of American industry on the 28th inst.

I regret, that the pressure of my public duties here will not permit me to leave Washington for the purpose indicated. I have much pleasure in expressing to you my entire appreciation of the objects of your association, and my earnest wishes for its complete success.

Very respectfully, your obedient servant,

H. WILSON.

HON. PETER COOPER, New York."

"HOUSE OF REPRESENTATIVES,
WASHINGTON CITY, April 25, 1868.

"PETER COOPER, Esq., President of the American Industrial League: Yours of 13th inst., inviting my attendance at a Conference of the friends of American industry in New York on 28th inst., is received. My duties here will prevent my attendance. It has been a life-long opinion with me, that it is the duty of the American people to promote, protect and encourage the interests of American labor; to stimulate and render profitable domestic production, whether agricultural, mining or manufacturing.

The country cannot long endure the excessive importation, now going on to the ruin of our own industry, while the interests of foreign capital alone are promoted thereby.

Respectfully,

WM. LAURENCE."

FREE TRADE—ITS EFFECTS ON THE FARMER.

In my letter to the Hon. James Brooks in reply to a speech, made by him in favor of free trade, I say:

I am informed from Washington, that Mr. Brooks is now ready "to mount on a peddler's wagon and ride through the agricultural districts of the country, exhibiting hoes, shovels, axes, bars, chains, rods, knives, forks, cottons and woollens, to demonstrate to the eyes of the people the enormous taxation, imposed on them by the existing tariff."

Before he commences this journey among the farmers, I propose to share with him a large part of the expense on condition, that he will inform the farmers as he goes through the country, that, according to Mr. Wells' report, there are one million of men, now employed in the manufacture of those articles, so indispensable to every farmer.

I want him to ascertain from the farmers, how many millions of bushels of their grain and all other agricultural products are annually consumed by these hundreds of thousands of the working men of our country. I want him to be very

particular, as he goes along, to show the farmers how perfectly insignificant the amount of grain is, that has been sold abroad, when compared with the amount, that is annually consumed by the men, now employed in making the various articles he enumerates. It will be well, as he comes in contact with the farmers, to ascertain, where they expect to find a market, when those hundreds of thousands, who now consume their produce, are forced to turn farmers and come in competition with them for a market.

I hope Mr. Brooks will quote from Mr. Wells' report, where he states, "that the American agriculturist does not command his own price in a foreign market, but the price commands him," as he is compelled "*to sell at the price offered in London, the central market of the world,*" where farm labor is hired for one-half the price, paid for it in this country.

It will be a matter of the greatest interest for the farmers to know, that Mr. Wells says "there are now one million of skilled artisans in our country, making the largest and most valuable consuming class in this community."

Mr. Brooks should tell the farmers, that these are the men, with their families, employers and laborers, who consume a large part of all they have to sell, and are now paying them more than they could get in any other part of the world.

I hope Mr. Brooks will be sure, as he passes through the country, to tell the farmer, that he and his friends are doing all they can to withdraw the legal-tender notes, and bring about a speedy return to specie payments, and that, notwithstanding, we are a debtor country to an amount nearly equal to our national debt.

He can assure the farmers that, as soon as our bank paper is payable in specie on demand, there will be some four or five dollars of paper afloat for every silver or gold dollar in the country.

He should assure the farmers that, when all our paper money is made payable in specie on demand, it will prove

the most certain means, that can be used to "fertilize the rich man's field by the sweat of the poor man's brow."

It will do this by ensuring the periodical return of those scenes of panic, pressure, general bankruptcy and ruin, that have so often changed the values of all property and labor some twenty-five or fifty per cent. in a single year, whenever it was for the interest of foreign creditors or merchants at home to withdraw a few extra millions from our banks, as they did in 1857, when a withdrawal of only seven millions produced the panic of that year, which sunk the values of all the property of our country to the amount of thousands of millions of dollars. These millions were taken from the farmers, mechanics and merchants, who were in debt, and put in the possession of those, who had the means to buy at the ruinous rates, at which property of all kinds was compelled to be sold, thus making, as it ever must, the rich richer, and the poor poorer.

Mr. Brooks should sound an alarm as he goes through the country, and say to all, that there can be no security for any man, who is in debt, until our general government shall perform its most important duty, which is, not only to establish a just system of money, weights and measures, but a system of legal-tender paper money, in amount equal to the amount put in circulation at the end of the war by the necessities of the government.

Such a legal-tender paper money would be a bond and mortgage on the whole property of the country and a bond of union among the states, and would leave gold and silver to be an article of commerce in the hands of those, who hold it.

Mr. Brooks will perform a most valuable service to the country, if he will tell the farmers, that Dr. Franklin says, that the American people, under the old colonial government, were so immoderately fond of the manufactures and superfluities of foreign countries "that they could not be restrained from purchasing them," because such laws, if made, would be immediately repealed as prejudicial to the

trade and interest of Great Britain. Dr. Franklin then adds that "it seems hard, therefore, to draw all their real money from them, and then refuse them the privilege of using paper instead of it."

Mr. Brooks will perform a most valuable service to the country by showing the farmers, that the absenteeism, which has ruined Ireland, was nothing more than the turning of a hundred small farms into one large grazing farm, that can be managed by a single individual, instead of making a home for the hundred individual farmers.

He should show the farmers, that Ireland has been impoverished by the same policy, which England tried to force on her American Colonies, as will appear by the following facts of British legislation :

"In 1710, a law was enacted in the House of Commons, which declared the erecting of manufactories in the Colonies tended to lessen their dependence on Great Britain.

In 1782, the exportation of hats from province to province and the number of apprentices were limited.

In 1750, the erection of any mill or engine for slitting or rolling iron was prohibited.

In 1765, the exportation of artisans was prohibited under a heavy penalty.

In 1781, utensils required for the manufacture of wool or silk were prohibited.

In 1782, the prohibition was extended to artificers in printing calicoes, muslins or linens.

In 1785, the prohibition was extended to tools, used in iron or steel manufacture, and to workmen employed.

In 1799, it was so extended as to even embrace colliers."

All classes should gather wisdom by reflecting on the history and the experience of the past.

Free trade is beautiful in theory, and will be in practice, where all things are equal and peaceful in the relations of nations, and rapid transit shall go far to annihilate space.

Our government, having allowed and used paper money, until the day's labor has been made to cost at least one-third

more than a similar day's labor would cost in other countries, to bring about an equality in trade will require a tariff, based on the difference in the cost, that will purchase a day's labor in our country, as compared with that of foreign countries.

If the farmers desire to secure for themselves a reliable market and the highest price for their product, they must use the means best calculated to effect that object—they must encourage the manufacture of the articles they consume and have them made as near their homes as possible. This should be done wherever good raw materials can be found, that can be put into forms of usefulness with as small expense of labor in this country, as in any part of the world.

If I am not mistaken our country will rise out of its great embarrassment in a way, that would astonish the world, if our Government would perform what was and is its first and most important duty.

The Constitution made it the duty of Congress to adopt measures that will "establish justice;" that is the only means by which the "common welfare can be promoted."

To establish justice for a nation there must be created and maintained a just and uniform system of money, weights and measures.

It is of the greatest importance, that all the paper money, allowed by the government, should be made as unyielding in its power to pay debts as the yard-stick or the pound-weight.

Our government, having been literally compelled to issue and use a legal-tender paper money, in order to save the nation's life, has, by its use, caused the whole property of the country to be measured by its purchasing power. By this use of paper money the government has created a most solemn obligation on its part to do no act to increase or diminish the amount of paper money beyond the absolute necessities of the government. As an increase of the amount would inflate prices, without increasing real values,

in the same proportion a diminution of currency must cause all property to shrink in price, and thereby put it out of the power of the people to pay the national debt.

One thing is certain, that the national debt can never be paid by a governmental policy, that shrinks the currency, destroys values, paralyzes industry, enforces idleness and brings wretchedness and ruin to the homes of millions of the American people. It is equally true, that Americans can never buy anything cheap from foreign countries, that must be bought at the expense of leaving our own good raw materials unused, and our own labor unemployed. It should be remembered, that neither gold, silver, copper, nickel nor paper are money, without the stamp of the government upon it. The Constitution has made it the duty of Congress to coin the money of our country and regulate the value thereof, and fix a standard of weights and measures, as the only possible means, by which commerce can be regulated between foreign nations and among the several States.

PETER COOPER.

ADDRESS AT A DINNER, GIVEN AT DELMONICO'S, BY THE COMMISSION MERCHANTS OF NEW YORK TO THE MANUFACTURERS OF MASSACHUSETTS, DECEMBER 14, 1870.

MR. PRESIDENT AND GENTLEMEN :

I have indulged the hope, that the day will come, when all festive occasions, like the present, will be made feasts of reason as well as feasts of the good things, provided by Nature for our use.

In my attempt to reply to the toast, in honor of the City of New York, I would gladly, if I could, say something that might be remembered with profit.

When, my friends, I turn my thoughts in review of the rise and progress of this, my beloved native city—the city, where both my mother and grandmother were born—when I call to mind its rapid growth in population, wealth and

power, it seems almost like a vision, that has passed; for at the time of my birth there were only about forty thousand inhabitants on this island.

When the mind wanders over the vast extent of the country, that now pours its treasures into our city—when we contemplate the untold millions, that will soon occupy its vast extent, with all our lakes, mountains, rivers and noble harbors, with all the floating palaces, that bring to our favored cities the choicest fruits of every clime—and when I look on the fiery steeds, that rend the air and cause the very earth to tremble beneath our feet, while they fly through space as on the wings of the wind—in view of all this, when I recollect, that it fell to my lot to put on the Baltimore and Ohio Railroad the first American built locomotive-engine, that carried passengers in this country, the recollection of all this, with the power we now have to send our messages through the world with lightning-speed, all seems like a dream. These are but items of what science has done and will do for the world, when mankind become wise enough to beat their swords into plowshares, and their spears into pruning hooks. This they will only do, when knowledge shall cover the earth, as the waters cover the great deep. Until that time shall arrive, we must remember, that the price of our liberty and independence is perpetual vigilance; for, as the poet says that “Life is war, eternal war with woe—and he that bears it best, deserves it least.”

I trust, my friends, that the time will come, when it will be the pride and the glory of every American citizen to give the world an equivalent, in some form of useful labor, for all he consumes in life.

There is nothing, my friends, more important for us, as individuals, or as a community, State or Nation, than to gather wisdom from the history and experience of the past.

The Fathers of our country had gathered from the past an amount of wisdom, that enabled them to form for us a Constitution, which was intended to embody, in the forms of law, the highest wisdom, virtue and intelligence of a

whole people. They intended to make that virtue and intelligence a shield to protect the lives and property of all. They intended, that our Government should be of the people and for the people, and become a tower of strength, on which we might rely with safety, for all that can make a nation rich, prosperous and happy.

The advocates of *free trade* with foreign countries are trying to persuade our Government and people, that it is for our interest to buy from other nations all the luxuries and superfluities they have to offer. These advocates of free trade propose, that our own mechanics shall either work at the starvation-prices of foreign labor, or be forced to abandon their trades and become competitors with the agricultural interests of the country.

If we desire to bring upon our whole nation a fate similar to that, which has fallen to the lot of Ireland, India, Turkey, Mexico and Hindoostan, it is only necessary to arrange our *tariff* in a way, that will induce the people throughout the States to have all their manufacturing done in foreign countries, and pay for it, with the raw materials of our own.

Such a policy will, if I am not mistaken, secure for our Union of States as rapid a decline and fall as those of Spain, when she drove the Moors, her principal manufacturers, out of her country.

Such a policy might gratify our national thirst after all the dear-bought follies and fashions of European life; but it would bring ruin and wretchedness upon hundreds of thousands of the mechanics of our country, who have nothing to sell but their labor. To break up the diversified employments of this vast number, by a change of tariff, and then, expect them to find for themselves other means of living, is about as reasonable as it was for Pharaoh to expect his people to make bricks without straw. What the mechanics of our country have a right to ask of the Government is, that such an adjustment of the tariff should be made, as will secure the payment of the national debt and the expenses of the Government, from duties on imports, within a reason-

able time. The duties should all be raised from the smallest number of articles, that would yield the required amount. The raising of duties should be made to encourage the manufacture of those articles, that are the most indispensable to the welfare of the nation in time of war.

It is fortunate for our country, that we are enabled to produce *cotton* and *corn*, with less labor than the same can be produced in any other part of the world.

With the surplus of these important articles for export, together with the gold and the agricultural and manufacturing products of the country, we shall be able to maintain an extended and profitable commerce with foreign countries, without reducing the price of labor, to the level that is now being paid for similar labor in foreign countries.

For our Government and people, to take the advice of the advocates of free trade, would be, about as wise, as for a nation at war with another, to control and regulate their action, by the advice of their enemies. It is terrible to contemplate the ruin, that can be brought on a country by following the advice of men or Governments, that have a direct interest to mislead and deceive us.

There is nothing, my friends, but a diversified and well-directed labor, that can secure national wealth and general prosperity.

We must remember, that it is impossible to obtain anything cheap from foreign countries, that must be bought at the expense of leaving our own labor unemployed, and our own good raw materials unused.

In conclusion, it gives me pleasure to state, for one, that I see reason to hope, for a wise and economical Government over our city. That hope was inspired by the fact, that our "*Citizens' Association*" had obtained from the Supreme Court an order to take possession of the Street Commissioner's books, which showed such a revelation of fraud, that he left his office at once.

This hope is founded on the laws, that were obtained, by an almost unanimous vote of the last Legislature of our

State. By these laws, we have secured responsible heads and a degree of stability in all the different departments of the government of our city.

As another ground of hope I would state, as President of the Citizens' Association, that we have received the strongest form of assurance from the principal men, now in the most prominent departments of the Government, that it is their intention to do all in their power to secure for our city an honest and economical Government.

We have another ground of hope for the future growth and prosperity of our city and State, growing out of the legislation of the last winter. It will be remembered, that a large body of men formed themselves into what is known as a Commercial Union. They petitioned the Legislature for lower tolls, and for a reform in the management of the canals. They were men, who saw and felt the great importance of bringing back to our State and city a commerce, that was being rapidly lost by the high tolls and bad management of the Erie Canal—a canal, that has more than doubled the value of the city of New-York, and has, from its tolls, paid \$15,000,000 into the treasury of the State, after having paid, in addition, all its cost, and the expenses of running it.

Under the laws, passed last winter, the tolls have been reduced some fifty per cent., besides having removed the temptation of contractors to make profitable jobs out of the breaks, that so frequently took place on the line of the canal.

It is now rendered certain, that transportation on the Erie Canal, can be doubled, without enlargement, and that the price of freight can be reduced by the introduction of steam for towing the boats, without any injury to the banks of the canal. The experiment has been fairly tried by an ordinary full-sized boat, to which steam was applied. The boat passed from New York to Albany by its own power, and through forty locks on the canal, towing another boat a part of the way, and burning only one ton of coal in twenty-

four hours, showing a power of sixteen horses for twenty-four hours, at a cost of five dollars, when coal can be had at five dollars the ton.

The report of the experiment shows, "that a loaded boat can be towed seventy-two miles, at a cost of five dollars, when the towing of boats with horses *cost forty cents per mile* for each boat this season, or \$28.80 for seventy-two miles."

With such advantages of cheap and rapid transportation for the heavy products of the West, what may we not hope for and expect, when our new system of wharves, now being devised by our excellent dock commissioners, Wilson G. Hunt at its head, shall invite to our city the commerce of the world?

PROTECTION TO AMERICAN INDUSTRY AGAINST COMMERCIAL WAR.

NEW YORK, October 7, 1871.

SIR—The experience of nearly 81 years has taught me, that the greatest and most important question, that now demands the consideration of the American people is, whether we, as a nation, are willing to know the truth and let the truth make and maintain our freedom, or whether we have deliberately determined to follow the advice of men and nations, who have a direct and an immediate interest to mislead and deceive us. For we may rest assured, that all trade, between foreign nations and our own, is a kind of *Commercial War*. It is a war of interests, as all nations are using their highest arts to buy as cheap and sell as dear as they can. All are trying to buy their raw materials in the cheapest market, and to sell their manufactured labor for the most, that can be obtained for it. This they are doing by the use of all the arts, both fair and foul, that human ingenuity can devise.

It can be shown, that the wars of commercial interests are more insidious and more to be dreaded, than wars of

conquest. There is nothing in all history, that admits of more complete demonstration than the fact, that the wars of commercial interests, carried on by England alone, have led to, and caused a greater destruction of life and property, during the last 70 years, than has been occasioned by all the wars of conquest, that have taken place in the civilized world during that period of time. It is now less than 75 years since a company, chartered by Great Britain, commenced a mercantile war on the people of Hindostan, a country with its then 150,000,000 of inhabitants, famed for manufacturing the finest quality of goods, and for being in possession of the riches of the East. History tells us, that "in no part of the world has there been seen a greater tendency to voluntary association for a mutual exchange of labor than once existed in Hindostan. . . . Each village had its distinct organization, under which the natives had lived from the earliest times down to a recent date. . . . Revolutions might occur, and dynasties might succeed each other; but, so long as his own little society was undisturbed, the simple Hindoo gave himself no concern about what might happen at the capital. . . . Though often over-taxed and plundered by invading armies, the country continued both rich and prosperous," until an East India Company, chartered and sustained by the power of Great Britain, commenced a war of encroachments on the trade and commerce of that country. This war of commercial interests led to a war of conquest, which, after the battle of Plassey, had established British power in India. "The country became filled with adventurers; men whose sole object was to accumulate fortunes, by any means, however foul," as was shown by the indignant denunciation of Burke in the Parliament of Great Britain. Fox declared, in a speech on the East India bill, that "the country was laid waste with fire and sword, and the land once distinguished most above others by the cheerful face of fraternal government and protected labor, the chosen seat of cultivation and plenty, is now almost a

dreary desert, covered with rushes and briars, jungles and wild beasts." . . .

Macaulay says, "The misgovernment was carried to such an extent, as seemed hardly compatible with the existence of society. They forced the natives to buy dear and sell cheap." They insulted, with impunity, the tribunals, the police and the fiscal authorities of the country. Enormous fortunes were thus rapidly accumulated at Calcutta, where 30,000,000 of human beings were reduced to the extremity of wretchedness. They had been accustomed to live under tyranny; but never tyranny like this. Under their old masters, they had one resource—when the evil became insupportable, the people pulled down the Government. But the English Government was not to be shaken off. That Government, oppressive as the most oppressive form of barbarian despotism, was strong with all the strength of civilization. It resembled the government of evil genii rather than the government of human tyrants. . . . Under the title of Zamindars, a landed aristocracy was created and held accountable for the collection of the taxes. Fullerton, a member of the Madras Council, says: "Imagine the revenue leviable through the agency of 100,000 revenue officers; collected or remitted at their discretion, according to the occupant's means of paying, whether from produce of the land or his separate property; and, in order to encourage every man to act as a spy on his neighbor and report his means of paying, that he may save himself from all extra demand, imagine all the cultivators of a village liable at all times to a separate demand, in order to make up the failure of one or more individuals of the parish. Imagine collectors to every county, acting under the orders of a Board, on the avowed principle of destroying all competition for labor by a general equalization of assessments, seizing and sending back all runaways to each other. Lastly, imagine the collector, the sole magistrate or Justice of the Peace of the county; through the medium of whom alone, complaint of personal grievance, suffered

by the subject, can reach the Superior Court. Imagine at the same time every subordinate officer, employed in the collection of the land-revenue to be a police officer, vested with the power to confine, put in the stocks and flay any inhabitant within his range, on any charge, without oath of the accuser or sworn recorded evidence in the case." . . . Under this state of things, "the works constructed for irrigation have gone to ruin, and the richest lands have been abandoned."

Capt. Westmacot tells his readers, that in places the longest under British rule, there is the largest amount of depravity and crime. Campbell, one of the most distinguished of British poets, characterizes the course of their policy in India prophetically when he says:

"Foes of mankind, her guardian spirits say,
Revolving ages bring the bitter day,
When heaven's unerring aim shall fall on you,
And blood for blood these Indian plains bedew."

"The immolations of an Indian Juggernaut," says a recent writer, "dwindle into insignificance before it, and yet to maintain this trade the towns and cities have been laid in ruins." The middleman system of Ireland and of the West Indies was transplanted to those countries of the East, to which Macaulay declares, that "the English Government became as oppressive as the most oppressive form of barbarian despotism." The poor Hindoo was not allowed to make salt from the waters of the ocean. Every form of tax and exaction was forced on that people, in order to drive them to send all their cotton and wool to England (the great workshop of the world) to be converted and returned. Sir Robert Peel says: "The effects in India exhibit themselves in such a ruin and distress, that *no parallel can be found in the annals of commerce.*" The great city of Decca, that only 70 years since contained 90,000 houses, and exported millions of pieces of the finest quality of goods, is now a mass of ruins." The same authority

says: "For the accomplishment of this work of destruction, the children of Lancashire, England, were employed 15 to 17 hours per day during the week, and until 12 o'clock on Sunday, cleaning and oiling machinery, for which they received two shillings and nine pence per week. The object was to underwork the poor Hindoo, and drive him from the markets of the world." The pound of cotton, costing in India one cent, was passed through British looms, and sold to the Hindoo for from 40 to 60 cents. "Thus England was enriched, as India became impoverished. Step by step, British power was extended, and everywhere was adopted the Hindoo principle, *that the sovereign, as proprietor of the soil, was entitled to half the gross produce.*" While these exorbitant local taxes were expended among its own people, the burden could be borne; when these taxes were drawn from the people and expended on absentee landlords, the burden brought desolation and premature death to millions of the people of that country. History tells us, that one-half of the labor of that people ran to waste for the want of employment.

The exactions of British power in China, made to force the sale of opium in that country, are stated to cause the death annually of 500,000 of the Chinese people, besides a tax of nearly \$20,000,000. The ruin of Portugal was effected by the Government's having been induced to adopt a British commercial policy, which broke up the harmony of the agricultural and mechanical interests—interests, that had for so long a time made Portugal rich and prosperous. "It is less than 200 years since the merchants of London *petitioned their Government to restrain the manufacture of cloth in Ireland.*" Of all the 1,700,000 slaves, imported into the British West India Islands, only 660,000 were found living on the day of emancipation. This was the result of a war of commerce. The planters on those islands had been deprived by law of all right "to refine their own sugar, or to introduce a spindle or a loom, or to mine coal,

or to smelt their own copper," thus depriving the people of the islands of all power of association, and exchange of labor, and harmony of interests, without which ruin falls to the lot of every community. The British policy, that was forced on the Island of Jamaica alone, cost the lives of hundreds of thousands of men, in order that a few absentee owners might live in splendor on the Isle of Britain. The policy of forcing the whole labor of a community into the single pursuit of making sugar effectually prevented the growth of towns and schools, and impoverished the people and the land. All communities require the families of the blacksmith, the carpenter, mason, and of other tradesmen, to consume a large part of the agricultural product of the soil, to secure them prosperity and to enable them to leave off to enrich the land that feeds them. "On the Island of Jamaica, with a population of 320,000 black laborers, and with inexhaustible supplies of timber, that island has been without a single saw-mill up to 1860." Out of the amount paid to the British Government by the people thirty years since for the products of its 320,000 black laborers, the Home Government took no less than \$18,000,000, or almost \$60 per head, and this merely for superintending the exchanges. The negroes, imported into Jamaica were no more barbarian than those, brought to Virginia and North Carolina; yet, while each of the negroes, imported into the latter States is represented by seven of his descendants, the British Islands present but two for every five they have received. But a century since, Portugal and the West Indies were England's best customers. What are they now? All impoverished by a policy, that has broken up their own home commerce, and has subjected their countries to the heaviest kind of tax—the tax of transporting their heavy products to great distances, to be exchanged for the light products of other countries.

The first attempt at manufacture in the American Colonies was followed by interference on the part of the British Legislature. . . . "In 1710, the House of Commons de-

clared, that the erecting manufactories in the Colonies tended to lessen their dependence on Great Britain. . . . In 1732, the exportation of hats from province to province, and the number of apprentices were limited. . . . In 1750, the erection of any mill or engine for slitting or rolling iron was prohibited. . . . In 1765, the exportation of artisans from Great Britain was prohibited, under a heavy penalty. . . . In 1781, utensils, required for the manufacture of wool or silk were prohibited. . . . In 1782, the prohibition was extended to artificers in printing calicoes, muslins, or linens, or in making implements, used in their manufacture. . . . In 1785, the prohibition was extended to tools, used in iron and steel manufacture, and to workmen so employed. . . . In 1799, it was so extended as to embrace even colliers."

The war of the Revolution of our own country was brought on by a *war of commercial interests*. It was a war, that showed a determination on the part of the mother country to keep her Colonies entirely dependent on England for all forms of manufactured articles. Laws were enacted to prevent the Colonies from manufacturing out of their own good raw materials things, indispensable for their own use, and necessary to give employment to those, who have nothing to sell but their own labor. The war of the Revolution was a war of resistance to a war of commerce, then being forced by the mother country on the Colonies. Our conquest of a country did not deliver us from the consummate power of highly educated British diplomats, whose business it has always been to find the weak places in surrounding governments, and to so control the legislation of those countries as to make them tributary to the wealth and power of Great Britain. These diplomats, after having secured for their own manufacturing interests more perfect protection and more perfect mechanical powers, than any other nation possessed, have enabled their Government to gain greater advantages by their war of commerce on our own country, than they could have gained, if the Colonies

had remained entirely under their own control. Such has been the consummate ability, that foreign diplomacy has been able to exert in a war of commerce, which has brought our country in debt to foreign Governments to an amount the interest on which is now equivalent to a large proportion of the agricultural export of the country. This state of things must continue or grow worse, unless our Government will raise its whole revenue out of duties on imports, and relieve the country from all forms of direct taxation, and by that means encourage the application of knowledge, economy and labor, in a course of efforts to supply our own wants by our own industry, out of our own good raw materials, that can be put into useful forms with as small an expense of human labor here, as in any other part of the world. Thus it will enable the country to win back its independence of foreign debt, by paying it off as fast as the amount can be raised from the duties on imports.

Our Government can only hold its power as a free system by avoiding in future all special, partial, or class legislation, and by the enactment of only such general laws, as are necessary and indispensable to establish justice. Justice can only be established "and the general welfare promoted" by the Government's holding entire control over all, that is allowed or intended to measure or weigh the different forms and values of labor in its course of exchange from one person to another. Hence the absolute necessity for the establishment of a just and unyielding system of money. This is indispensable to facilitate the business of the country. If paper is to be coined into money, the amount should be limited and so regulated, that the sum could only be increased in regular proportion with the natural increase of the inhabitants of the country. All Government paper should be a legal tender in the payment of all private debts, which were contracted during the time, that paper is allowed to circulate as money. All persons should have the privilege of paying duties on imports, and also all contracts to pay gold, by adding to the amount in legal ten-

ders a sum sufficient to be equal to the average premium, that gold had sold for during the month preceding the maturing of the contract—the Government to advertise the rate of premium on the 1st of every month.

The people of our country should never forget, that one of the great causes which led to the American Revolution, was the determination on the part of Great Britain to force its manufactures on the Colonies, to be paid for by sending raw materials to England; thus keeping them dependent by preventing them from manufacturing for themselves. This policy of England has drawn to its little island the wealth of every country, that has allowed itself to become the subject of its policy and power. It is still trying to persuade the people of this country to run their plows in competition with the mighty machines in England, where a single engine is doing the work of a thousand horses. To see the folly of yielding to a British policy, we have only to look at the effects, produced on our country during the war with England. At that time, when our foreign trade was cut off, labor was in demand and money abundant, furnaces and mills were built and all actively employed; wages were high and our national debt small. Four years later, our country was persuaded to yield to a British policy of Free Trade. At once all was changed; mills and furnaces were stopped, labor went begging, our poorhouses were filled, the prices of land declined, money became scarce, and interest high; the rich, who held mortgages, became richer, and the poor and those who were in debt, were ruined. At that time, the American farmer had no foreign or home market for the surplus product of the country. Complaints grew and increased, until things grew so bad, that in 1828, our Government found it necessary to adopt what I call a true American system—a system of Free Trade—a trade, that extended to all parts of our own country in all articles, that are the product of our own soil or of American labor. By this system, duties were laid on imports, which soon gave new life and energy to the trade and business of the coun-

try. The public debt was soon paid off and prosperity became universal.

By degrees, between 1834 and 1842, the tariff was again repealed. The mills were again stopped, furnaces closed, lands fell to half-price, the sheriff at work, States repudiating their debts, the Treasury unable to borrow at home or abroad, and bankrupt laws were passed by Congress. In 1842, the true American system was again tried; and in less than five years the production of iron alone rose from 200,000 tons to 800,000 tons. Prosperity was again universal; mines were opened, mills were built, money plenty and the public and private revenues greater than ever. Once more, in 1846, the British policy of Free Trade was adopted by repealing our tariff, and, notwithstanding the discovery of gold in California, money was as high as ever, British iron came in and gold went out. In 1857, the culmination was reached and a crisis came on. The Treasury was again nearly bankrupt. In three years, emigration fell below the point of twenty-eight years before, and our own exports fell off to a mere nothing. Such have been the effects of yielding to a policy recommended by men and nations, having interests to serve, that are at war with all the best interests of our own country.

A war of commercial interests is not peculiar to England alone. It has been the habit of all trading nations since "naught said the buyer." They will all continue to buy in the cheapest market and sell in the dearest, as long as men do not love their neighbors as they do themselves. There are thousands of those, now engaged in foreign trade, whose fortunes depend on filling the country with foreign goods. There are other thousands, holders of mortgages, who hope to buy in the property for the face of their mortgages, or for half its present value. And that they *will do, as soon as they can induce our Government to try another experiment, in what they call free trade.* The policy of these persons, who are all clamorous for free trade, would deprive millions of men of their means of living by mechan-

ical employments, and drive them into competition with the farming and agricultural interests of the country, *making the mechanics competitors of the farmers ; instead of consuming, as they now do, ten times as much of the agricultural products of the country as is now sold in all Europe. Moreover, by such a policy money-holders can obtain the necessaries of life and servants at less cost.*

It would be as unwise for our country in time of war to govern the movements of armies by the advice of our enemy, as it would be for our Government to allow our national policy to be controlled by the advice of the trading nations of Europe, who will always consult their own interests, entirely independent of any interests of ours. It is well to remember, that nothing can be purchased cheap of foreign countries, that must be bought *at the expense of leaving our own labor unemployed, and our own good raw materials unused.* I advocate the cause of our manufacturing interests, because they secure to the farmer his surest and best market for the agricultural product of the country, and because experience has demonstrated the fact, that the surest way to maintain our independence, and cheapen goods to the consumer, is to foster the home productions of our country, and give diversified employment to our people. I advocate an American system, because I desire the political power and the financial honor of the nation to be maintained and vindicated before the world. This can be most effectually accomplished by making ourselves independent, as far as our own soil, climate and good raw materials will enable us to produce the articles we need ; and this they do with as small an expense of labor as it would require to produce the same articles in any other part of the world. I advocate a policy, that will maintain the National Government and pay the nation's debt out of duties on imports. The heaviest duties should be laid on all articles of luxury, and the lightest duties on all articles, that will aid in securing a diversified employment to our people.

There is nothing else our Government can do, that will so effectually stimulate and develop all the best energies of a free people, as will the adoption of a *just, uniform and unyielding system of money*. It is greatly to be regretted, that our Government failed in its very commencement to perform the most important duty, enjoined by the Constitution. They should never have allowed the individual States to issue paper money, that *was to all intents bills of credit*. It has been the inflation of paper money, that has so raised the price of all property and labor, that we now tempt the world to sell us everything, and we have made everything with us too dear to sell with profit in return. Free Trade with foreign nations *must*, where all things have been made unequal by the use of paper money, prove in the future, as it has in the past, a delusion and a snare. It must in the future, as it has in the past, bring panic, pressure and ruin to untold thousands made bankrupt by the change of value of all kinds of property. This must be the result of leaving our own labor unemployed and our own good raw materials unused. The high price of labor and of all the products of labor, has made a tariff of duties on imports absolutely indispensable to enable the Government to pay the National Debt. The duties must equal in amount the full extent of the increase in the price of property and labor by the use and inflation of paper money. Washington declared a fact, when he said that "In exact proportion as we either alloy the precious metals, or pour paper money into the volume of the circulating medium, just in that proportion will everything in a country rise, and labor will be the last that will feel it. It will not benefit the farmer or the mechanic, as it will only enable the debtor to pay his debt with a shadow instead of a substance."

PETER COOPER.

LETTER TO JACKSON SHULTZ, ESQ.

NEW YORK, November, 1874.

JACKSON S. SHULTZ, ESQ.,

MY DEAR SIR—I am glad to know, that you approve of my efforts to find out, how and where we have drifted financially as a nation; and as far as possible to show, how a wisely and well arranged revenue tariff has been made indispensable, as the only efficient remedy for the paralyzed condition of the trade and commerce of our country.

I agree with you most heartily in the belief, that a tariff should be strictly for revenue, and should be raised by specific duties, and from the smallest number of articles, that will yield an amount sufficient to enable the people to pay their town, city, State and National debts.

I well recollect the effects of all the tariffs, that have been passed by our Government. The first one soon enabled the Government to pay off all the old National debt. Its repeal shrank the values of all property and labor, and brought on the country a widespread ruin, frightful to contemplate. This state of things continued, until the Government was compelled as its only means of relief to adopt another tariff, that soon brought the country into a condition of prosperity greater than ever.

The history of one tariff has been the history of all that have been enacted—their repeal has brought ruin and their reënactment has brought prosperity.

The advantages of a revenue tariff have resulted from the stimulus it gives to all the industries of the country and the restraint it exerts upon the extravagant use of the fabrics of other countries. This was the besetting sin of our people under the old colonial system, when, as Doctor Franklin says, “the American people, under the colonial Government, were so immoderately fond of the manufactures and superfluities of foreign countries, that they could not be restrained from purchasing them.”

The advice of Bonamy Price may be adopted by our

people with great advantage. He advises that we, as a people, should produce more and consume less. To bring this about it will require a course of action by the General Government, calculated to reinvigorate the paralyzed industries of our country. As one means to promote industry, it may be well for our Government to consider, whether an export bounty on agricultural and manufacturing products would not enable our farmers to place their produce to better advantage in foreign markets, and thus make it the interest of our people to act in accordance with the advice of Sir Robert Peel to his countrymen, when he says: "Buy of yourselves and sell to yourselves." The savings of a nation will be found in the quantity, that it produces in comparison with that which it consumes.

Importers and dealers in foreign products will find it for their interest to advocate measures, that will stimulate industry as the best means to bring about a healthy trade, instead of killing the goose, that lays the golden egg.

The common fallacy, that greenbacks depreciated in value, as gold appreciated, is now annihilated by the present decline of gold, while the amount of outstanding greenbacks has been increased by a small amount. It was the large issues of paper money, loaned on deposits, that caused the rise and speculation in gold, as it became an article of commerce. As the speculation in gold subsided the price returned to its normal value.

I believe, that I have shown beyond all controversy in my late article, published in the *Tribune* of this city, that the United States were bound, from the day the Constitution was adopted, to take and hold the entire control of all, that has ever been allowed to circulate as money,—as none is legal without the stamp of the Government upon it.

I have shown, that the General Government has not only failed to prevent the local banks from issuing bills of credit in the form of pictures, called money, but it has failed to furnish what Thomas Jefferson said ought to have been fur-

nished, namely "Treasury Notes," based on the credit of the United States, and in an amount equal to the amount of gold and silver, that would circulate if there was no such thing as paper money allowed. Such a currency should only increase as per capita with the inhabitants of the country, and would carry with it all the credit, that our Government could give it. And being a legal tender in payment of all debts to the Government and individuals, and for duties on imports, by simply adding an amount in currency, that will make it equal to the average price, which gold had borne during the month preceding the demand for payment, or the maturing of the contract. This would be a paper money, suited to all the business of the country, and would be far more valuable than gold for ordinary business purposes, for the reason that it would not be constantly changing in volume, as gold and silver will by the operations of foreign trade.

Paper money is said to have been more valuable than gold for some five hundred years in the city of Venice. The people found, that they could well afford to pay the State for taking care of their gold, while a bill in evidence of their ownership of gold was passing freely in all the business operations of the country, thus showing what Prof. Bonamy Price said of money is true, namely, that Money is a tool for the convenient exchange of one form of labor for another. Our nation will show its wisdom by continuing to use a tool, which our experience has shown to be the best for the convenient exchange of all forms of labor, that was ever invented by the ingenuity of man. I mean a legal tender paper money, issued, as it was, by the people's Government to save for the people the nation's life. It has done its work nobly and should be embalmed in the hearts of our people, as one of the greatest blessings, developed by the terrible war through which we have passed. It should have been issued from the first as a war measure, that makes every dollar expended a valid claim upon the whole property of the country for its final payment. Our

nation's credit should avail towards paying the nation's debts, instead of being loaned out without interest.

As merchants, farmers and mechanics, it behooves us to know, that a nation, continuing to spend more than it produces, is clearly on the road to ruin.

It is well for us to know, that in 1873 we imported \$119,556,288 more than we exported. In 1872 we brought merchandise from abroad amounting to \$610,904,622, and exported \$428,487,131, more than 182 millions deficit. This shows where we must land, if we continue to buy foreign manufactured articles in greater amount than the exports of our country. We have got to learn to do as Sir Robert Peel says to his people: "Buy of yourselves and sell to yourselves" and give employment to our own people.

There is one power in our country, that can do more to restore confidence and general prosperity than any other, with which I am acquainted;—I mean the power of the various working men's organizations of our country.

I claim to have been a working man through a long, laborious, mechanical life, with all my sympathies enlisted in efforts, intended to elevate and better their condition.

In view of the sufferings of so large a number, I ask myself why is it, that so many, who are all as anxiously desiring happiness as I or any one can do, are now suffering all forms of poverty and want, and that in a country, where God has spread out broad fields, ever ready to yield all that is good for food, pleasant to the eye, and calculated to make us wise?

I would most gladly, if I could, show my fellow working men the great mistake in their organized efforts to force their employers to pay as much for a poor workman as for a good workman:—And by their laws they deprive their own children from learning trades, that would make them in the future useful citizens of the Republic. All the restraints, that prevent the members from working for the most they can get, and as many hours as they choose, are a self-imposed slavery. These restraints and the taxes they

levy on their different orders to maintain strikes, have done as much to break up the regular business of the country, and drive commerce away from our own city as any one thing, with which I am acquainted.

I should have regarded it as a terrible hardship, if I had found myself compelled to contribute out of my twelve shillings per day to maintain strikes, that would have prevented me from getting into a business, that has given me a house and home with the ordinary comforts, until I have now nearly reached my eighty-fourth year.

If working men will be advised by a friend, they will declare their independence of all these organizations, and associate themselves in business with such capital and friends as they can find, and take all the profits to themselves.

Such an independence will command for working men the heartfelt sympathy and respect of the best men of our country and the world, and will, I hope, induce many to put forth efforts to promote the substantial interests of working men, by acts and deeds, that will leave an influence, when this hand, that now writes, shall have mouldered to the dust, and these eyes, that now see will look down from a brighter and a better world on a continued stream of beneficent influences, flowing out and on, from every good word and work.

Very respectfully yours,

PETER COOPER.

OPEN LETTER.

AUGUST, 1882.

TO THE HON. PRESIDENT AND GENTLEMEN OF THE TARIFF COMMISSION :

The most profound anxiety for the welfare of this great and glorious country impels me to offer some thoughts on what I regard as one of the most important subjects, that can be presented to the American people. My experience has compelled me to see and know, that all trade with for-

oreign nations is a kind of *commercial war*; *it is a war of interests*—as the men of all countries are trying to buy as cheap and sell as dear as they can; this they do by the use of all the arts, both fair and foul, that human ingenuity can invent. There is nothing comparable with the evils, that have resulted, and may result, from a *war of commerce*. Invasion of armies is attended by waste of property, destruction of life, and suspension of all fair exchanges of the products of labor; but with the return of peace, all is as it was before. Such, however, is not the case with the substitution of foreign trade for the home commerce of the products of our own land and our own labor.

Under the artful and alluring fascinations of the powers of foreign trade associations for mutual benefit, patriotism dies out, intellect declines, and the life-blood of a nation slowly ebbs away, rendering recovery difficult, and closing finally with the material and moral death of a nation.

The great boon, provided for us by the Declaration of Independence, with its Constitution and its code of laws, was, that Congress shall have power to make all laws, which shall be necessary and proper, to levy taxes, duties, imposts and excises, to pay the debts and provide for the common defence and the general welfare of these United States.

To accomplish these objects, the Constitution binds every member of the Government, under the solemnity of his oath of office, to make their every legislative act an intent to establish justice by the organization and execution of all laws, which shall be necessary and proper to provide a shield of protection for the lives, liberty and happiness of the American people. This can only be accomplished by adopting a just balance in a true system of money, weights, and measures, by which justice can be most conveniently established in the operations of trade with foreign nations and among the several States.

Our Constitution was intended to use the strength and power of the nation, in giving protection to all the rights and interests in all and every form, in which labor can be

applied to promote the highest welfare of the American people. Daniel Webster has declared what all must see and know to be true, and in words of warning, as well as to what our Government is bound to do, in order to secure the rewards of honest labor to the heads and hands, that earned them. He says :

“The producing *cause* of all prosperity is labor! labor!! labor!!! The Government was *made* to protect this industry, and to give it both encouragement and security. To this very end, with this precise object in view, power was given to Congress over the money of the country.”

He predicted that conditions, which permitted the rapid accumulation of property in the hands of a few, remitting the masses to poverty, would soon destroy free institutions.

The experience of a long life made me see and know, how utterly impossible it is for the American people to buy anything cheap from a foreign country, that must be bought at the expense of LEAVING OUR GOOD RAW MATERIALS UNUSED, AND OUR OWN LABORERS WITHOUT EMPLOYMENT, THUS COMPELLING THE MILLIONS OF THE MECHANICS OF OUR OWN COUNTRY TO GO INTO COMPETITION WITH THE FARMERS, INSTEAD OF CONSUMING, AS THEY NOW DO, SOME THREE-QUARTERS OF ALL THE AGRICULTURAL PRODUCTS, NOW RAISED IN OUR COUNTRY.

The advocates of free trade seem to be perfectly regardless of the wants of those millions of men and women throughout our country, who have nothing to sell but their labor; those millions, having been in the main reduced to this condition of poverty and want by a course of financial legislation so unwise and so unjust, that John Sherman, when a Senator, declared that it was without a parallel in ancient or modern times. In his speech on that occasion he said :

“That every citizen of the United States had conformed his business to the legal tender clause.”

His whole speech at that time went to show, that the legal money, which the Government had paid out in full

settlement for all the forms of labor and property, had been actually used and consumed in the prosecution of our late terrible war for the nation's life. Senator Sherman was right when he declared, that the nation's currency could not be contracted without bringing ruin to the debtor and the laboring classes throughout our country.

This cruel and unwise contraction of the nation's currency has, in connection with repeated alterations in our *tariff* laws, broken up the manufacturing business of thousands throughout our country, and has shown, that a *tariff* of duties should be based on principles, that will give security and stability in the manufacture of all articles, that can be made out of our own good raw materials, and can be put in forms of usefulness in our country, with as small an amount of human labor in this country, as in any other part of the world.

This being an incontrovertible fact, there is no good reason, why those great manufacturing interests of our own country should be periodically ruined, as they have so often been, by repeated alterations of tariffs. These alterations have been most successfully engineered through our Congress by the consummate skill of *foreign diplomats*, co-operating as they do with the great manufacturing and mercantile interests of our own and other countries, which can well afford to spend millions to break up and keep down the rising manufactures of this great and growing country.

History shows, that England gave the strongest kind of protection to her manufacturing interests, until they had attained to such a degree of power and perfection of machinery, that enabled the English, with the help of restraining laws, which their Government had passed to prevent their colonies from manufacturing anything for themselves, etc. . . .

All classes should gather wisdom by reflecting on the history and the experience of the past.

Free trade is beautiful in theory, and will be in practice, where all things are equal and peaceful in the rela-

tions of nations, and rapid transit shall go far to annihilate space.

Our Government, having allowed and used paper money, until the day's labor has been made to cost at least two-thirds more than a similar day's labor would cost in other countries, to bring about an equality in trade, will require a tariff based on the difference in the cost, that will purchase a day's labor in our country as compared with that of foreign countries.

If the farmers desire to secure for themselves a reliable market and the highest price for their product, they must use the means best calculated to effect that object—they must encourage the manufacture of the articles they consume, and have them made as near their homes as possible, etc. . . .

After all I have read, written, and published to the world on the all-important subject of a *tariff*, I come to the conclusion, that it should give full and complete protection to what Daniel Webster calls the producing cause of all prosperity, which he says is "labor! labor!! labor!!!"

This can only be accomplished by an amount of duties, that shall equal the difference between the cost of a day's labor in our country, as compared with the cost of a similar day's labor in other countries.

The difference, when carefully examined, will be found to be on an average, in this country, of from fifty to one hundred and fifty per cent. more, than what is now being paid for similar labor in other countries.

It will thus be seen, that *justice* cannot be established—and the general welfare of the American people be secure, except by the manufacture of all those articles, which are absolutely necessary for our consumption as a free and independent nation. Duties on all the most necessary and essential articles of industry, which our Government was made to protect, encourage, and secure, should be as nearly prohibitory as possible. An amount of duties should be collected from the smallest number of articles, that will fur-

nish an amount sufficient to pay the expenses of the general government of our country. This would relieve our people from all internal taxation for the support of our national Government.

Mr. Bonamy Price, in his book on political economy, quotes from Hon. Ward, M.P., where he says, that 99 per cent. of the communications on the tariff represent individual interests, and demand protection for articles they produce. Mr. Ward, Bonamy Price and all the advocates of unqualified free trade, base their arguments on a false foundation; they fail to see, that our Government has allowed local banks to issue pictures or bills of credit, called money, in open violation of the Constitution, which delegates only to Congress the power of coining money and regulating the value thereof; also of regulating commerce between the United States and foreign countries.

Our Government, having neglected from its commencement to make necessary and proper laws to issue a strictly national currency, based on the whole property of the country, and to establish a tariff only to raise a revenue sufficient to pay the national debt—should even now begin to assert that power and carry it out to the letter; for it is yet time to do right, correct errors and secure full and complete protection to the useful industries and labor, now employed in all the important manufacturing interests of our country; but there seems to be little hope of establishing justice, when our late Congress authorized the collection and accumulation of \$150,000,000, which they tried very hard to squander without much thought of appropriating any and all surplus towards paying our enormous debt, which would, not only relieve taxpayers and producers, but the toiling masses.

History could probably not show such another accumulation of revenue in any other country, ancient or modern, monarchy or republic, and any nation or people, that allows it, is on the high road to corruption and ruin.

I indulge the hope, that you, Honorable Commissioners,

will read with care my humble efforts to call and pin the attention of your Honorable Body on the absolute necessity there is, that the great and all-important questions of a *national tariff*, and of a *strictly national paper currency* must be settled in the interest of the mass of the American people, and not as they are now, in favor of monopolies of all kinds, especially banks and railroads.

Most respectfully yours,

PETER COOPER.

The attention of your Honorable Committee is respectfully called to a few facts and figures in relation to the exports and imports of merchandise, and of gold and silver coin and bullion, during the last twenty-three years, and the influence our foreign commerce has on the volume of currency, and the relation of that volume to the industries of the country. These facts and figures should convince every intelligent man, that to disturb our present tariff, especially in the way of reductions of duties on foreign imports, will be attended with great danger to the business prosperity of our own country.

From the preliminary report of the Chief of the Bureau of Statistics, published in the Bankers Magazine for September, we obtain some important facts in relation to the value of gold and silver coin and bullion, imported into, and exported from, the United States from the year 1860 to 1882, inclusive; also, of the excess of imports over exports. "The total exports of coin during this period was \$932,226,125, and the total imports only \$183,608,572.

During this period the exports of coin and bullion exceeded the imports for twenty years, and the imports exceeded the exports only for three years, and the total amount of exports of gold and silver coin and bullion over the imports in twenty-three years was \$749,617,553.

During this entire period we have been under a high tariff, and a portion of the time a war tariff at that. If we have lost \$749,617,553 of gold and silver coin and bullion,

which constitutes the base of our currency under a high tariff, what would have been our loss had we been under a system of free trade, or even with any great reduction in our present rates of duties on foreign imports.

We learn, also, from this report, that in the year 1881 the total exports of the country were \$902,377,346, and the imports were \$642,664,628, and the excess of exports over imports were \$250,712,718; but, in 1882, the total exports were only \$750,351,173, and the total imports were \$724,623,317, leaving the excess of exports over imports only \$25,727,856.

From these figures it will be seen, that the increase in our imports during the past year has been \$91,958,689, or 12.7 per cent.; and that there has been a falling off in our exports in the year 1882, amounting to \$132,026,173, over those of 1881, an actual change in the balance of trade of \$233,984,862:

Now, if such an enormous change is taking place in one year, under a system of what may be called a high tariff, what, may I ask, would be the result, if an effort was made to reduce the rates of duties?

The report of the Chief of Bureau of Statistics also informs us, that out of \$91,958,689 of increase in imports during the past year \$69,809,869 were dutiable articles, and the balance on articles admitted free of duty.

From the above table, in relation to the exports and imports of gold and silver coin and bullion, it will be seen, that in the fiscal year ending in 1882, the exports over imports were \$6,940,186. You will also observe from the foregoing table that, in 1881, the excess of imports over exports of coin was \$91,168,650. This shows, that in 1881 we had coming into the country a balance of over \$91,000,000 of gold and silver coin and bullion, while in 1882 we have had \$6,940,186 going out of the country.

Your Honorable Committee must be aware of the disastrous influence upon the business industries of our country, that a reduction of the volume of our currency always pro-

duces. To contract the currency always tends to shrink prices. If you take away the gold and silver coin and bullion, you take away the foundation, upon which all other currency rests.

We have over \$700,000,000 of paper currency, that is practically redeemable in coin. If any great amount of this coin is taken out of the country, will it not endanger the ability of the Government and the banks to redeem this currency in coin, and be likely to precipitate a financial panic?

These facts should make your Honorable Committee hesitate long before you make any alteration whatever in our present system of tariff.

Some additional information, concerning the tariff, especially Franklin's letter to Humphrey Marshall, will not be out of place here :

LONDON, April 22, 1771.

SIR:—I duly received your favors of the 4th of October and the 17th of November. It gave me pleasure to hear, that tho' the merchants had departed from their agreement of Non-Importation, the Spirit of Industry and Frugality was likely to continue among the People. I am obliged to you for your concern on my account. The letters you mention gave great offence here ; but that was not attended with the immediate ill-consequences to my Interest, that seem to have been hoped for by those, that sent copies of them hither.

If our Country People would well consider, that all they save in refusing to purchase foreign Gewgaws, and in making their own apparel being apply'd to the Improvement of their Plantations, would render those more profitable as yielding a greater Produce, I should hope they would persist resolutely in their present commendable Industry and Frugality. And there is still a farther consideration.

The colonies, that produce Provisions, grow very fast. But of the countries, that take off those Provisions, some do

not increase at all, as the European nations and others, as the West India Colonies, not in the same proportion. So that tho' the Demand at present may be sufficient, it cannot long continue so. Every manufacturer, encouraged in our Country, makes part of a market for Provisions within ourselves and saves so much money to the Country as must otherwise be exported to pay for the manufactures he supplies. Here in England it is well known and understood, that wherever a manufacture is established, which employs a number of Hands, it raises the value of Lands in the neighboring Country all around it: partly by the greater demand, near at hand for the Produce of the Land, and partly from the Plenty of money, drawn by the manufacturers to that part of the Country. It seems, therefore, the Interest of all our Farmers and owners of Land to encourage our young manufacturers in preference to foreign ones, imported among us from distant countries.

I am much obliged by your kind Present of curious seeds. They were welcome gifts to some of my Friends. I send you herewith some of the new Barley, lately introduced into this country and now highly spoken of. I wish it may be found of use with us.

I was the more pleased to see in your Letter the Improvement of our Paper, having had a principal share in establishing that manufacture among us many years ago, by the encouragement I gave it.

If in anything I can serve you here, it will be a Pleasure to
Your obliged Friend and humble Servant,

B. FRANKLIN.*

To MR. HUMPHREY MARSHALL,
West Bradford, Chester County.

I quote the following letter and statistics to show how certain industries would increase and prosper, if carefully

* I own the original manuscript of this letter and consider it a precious relic. It shows the American Sage in favor of a protective tariff and home industry.

encouraged and protected by a *judiciously discriminative tariff*:

FLAX, HEMP, JUTE, ETC. AN OPEN LETTER TO GENERAL GARFIELD.

"153 WALWORTH STREET,
BROOKLYN, N. Y., 11th September, 1875.

"GENERAL JAMES A. GARFIELD:

Sir,—In your speech at Warren, Ohio, as reported in the *New York World* of the 4th inst., you endorsed Senator Thurman's statement of December last, that 'over production was one of the causes of the panic of 1873.'

We respectively submit, that the reverse of this was the case, and that the cause was mainly from under, not over production!

In support of this it is advanced, that last year under production caused the United States to import two hundred and seventy-one million dollars of flax, hemp, jute, ramie, silk, sugar, etc., viz.:

UNITED STATES IMPORTS, YEAR ENDING JUNE 30, 1874 (FROM
REPORT OF CHIEF OF BUREAU OF STATISTICS).

Flax, hemp, jute (and their manufactures)....	\$30,000,000
Ramie and silk (and their manufactures).....	25,000,000
Cotton (its manufactures).....	25,000,000
Leather (and its manufactures).....	27,000,000
Wool (and its manufactures).....	59,000,000
Sugar (and its manufactures).....	93,000,000
Tobacco, rice, etc.....	12,000,000

Total imports (gold)..... \$271,000,000

From foregoing it is obvious that, during past twenty years, under production caused the United States to import over five billion dollars of above products, or more than double the public debt fund, which on July 1, 1875, was \$2,128,825,089.

Manifestly, our security lies in rescuing these products from the foreigner's grasp; that this is practicable is evident from what has been accomplished in wheat.

During twenty years ended 1874, America more than *doubled* its wheat exports to England (rising from 27 per cent. to 58 per cent.), whilst Russia *decreased* more than one-half (falling from 23 per cent. to 11 per cent.).

The introduction in 1855 of reapers, etc., was invaluable in enabling America to become the chief wheat-raising country in the world.

We submit, that a similar application of improved mechanics will enable America to export, instead of import, flax, hemp, jute, etc.

We further submit, that a sure way to this desirable end lies in a safe Government greenback currency, as recommended by the Hon. Peter Cooper in his Letter on the Currency, to wit :

That in the future we must put the whole power of coining money or issuing currency where, as Jefferson says, by the Constitution it properly belongs, 'entirely in the hands of the Government;' that this currency must be convertible into Government interest-bearing bonds, over which the Government has entire control; that the said greenbacks should be full legal tenders, and that the use of gold or other merchandise as money is a barbarism unworthy of the age, etc.

"In the earlier ages gold was adopted to give assumed value to bank or government promissory notes. We submit, that greenbacks issued and controlled by the United States Government, backed by the labor and intelligence of forty millions of people and four hundred million acres of the finest land under heaven, would be amply secured, superior to existing mode, satisfactory to every intelligent American; and hence sufficient for any other man.

America is largely a consuming country, although possessed of unequalled resources, that should exalt it to the highest position as a producing country. This safe way is open; will America enter upon it?

Yours respectfully,

WILSON WATSON."

Thus it may be seen, by the above letter, that it is impossible for us to import anything cheap from foreign countries, that must be bought at the expense of leaving our own good raw materials unused, and our own people unemployed.

PETER COOPER.

New York Mercantile Journal, March 31, 1877.

"AMERICA VERSUS RUSSIA.

"The figures in the following table, showing the comparative product of some of the leading staples in Russia and America, have been carefully compiled from reliable sources, and will repay more than a superficial study:

AMERICA IN 1872.

	Acres.	Bushels.	Bushels per acre.	Average Value per acre.	
				1872.	1875.
Barley	1,397,082	26,846,400	19.2	\$14.19	\$16.73
Buckwheat	448,497	8,133,500	18.1	15.04	12.45
Indian corn	85,526,836	1,092,719,000	30.7	12.24	12.38
Oats	9,000,789	271,747,000	30.1	10.14	10.86
Rye	1,048,654	14,888,600	14.1	10.83	10.02
Wheat	20,858,359	249,997,100	11.9	14.87	11.16
	68,280,197	1,664,331,600			

RUSSIA IN 1872.

	Acres.	Bushels.	Bushels per acre.	Bushels per acre in favor of America.
Barley	15,511,609	124,753,750	8.	11.2
Buckwheat	11,307,660	86,256,500	7.6	10.5
Indian corn				
Oats	32,818,890	543,622,750	16.6	13.5
Rye	66,398,540	546,832,000	8.2	5.9
Wheat	28,743,390	157,938,000	5.5	6.4
	154,780,060	1,559,408,000		

In 1875 the number of acres, cultivated in America, was 86,863,178, and the number of bushels produced 2,032,235,-

300, being a gain, as compared with 1872, of 18,582,981 acres and 369,903,700 bushels.

These statements clearly show the superiority of American methods of cultivation over Russian, or else of our soil over theirs, or both. In 1872, 69,000,000 acres in America under six cereals gave 1,664,000,000 bushels, or 205,000,000 (50@150 per cent.) more than Russia received from double the acreage, 155,000,000 acres, yielding only 1,459,000,000 bushels! During twenty years ended 1874, America's exports of wheat to England were doubled, rising from 27 to 58 per cent. of England's whole importation, while Russia's decreased one-half—falling from 23 to 11 per cent. In the same decade, America received from England 7 per cent. more for its wheat than Russia.

Russia's *strength* is apparent in manufactures. In 1677 she had only 233 mills, while in 1875 she had 85,000. In 1875 her flax and hemp mills (principally in Poland), employing 300,000 hands, produced 150,000,000 roubles, or \$120,000,000, worth; while America, in 1870, had 33 bagging mills, producing less than \$3,000,000 worth. In 1875, we imported \$25,000,000 worth of linens. Russia spins American cotton, while America spins Russian flax!

America's *weakness* is obvious in flax and hemp. In 1870, we raised 27,000,000 pounds of flax and 1,750,000 bushels of flax seed; while in 1872, Russia raised 542,000,000 pounds of flax and 17,250,000 bushels of flax seed. In 1870, America raised 12,746 tons of hemp; while in 1872, Russia raised, 967,444 tons of hemp, and 14,500,000 bushels of hempseed.

The best Western flax, *which equals Russian*, brings, in New York, \$300 per ton. Wheat and corn lands are good for flax, which is the most profitable crop raised in many sections. In Morrow County, Ohio, the yield, in 1875, was \$27.08 per acre, or double the average of the wheat and corn crops, per acre, in the whole country; the latter being \$11.77 per acre.

America excels Russia in wheat; she could also surpass

Russia in flax and hemp, marking an important era in our country's production."

Had we the Census Report of 1880, we could mention developments of home industries, that would show much more favorably, if they were more judiciously protected; but our late Congressional sessions have been so occupied to dispose of the \$150,000,000 surplus, that the census must wait, till all the spoils were distributed, instead of applied to pay the nation's debt and stop the interest thereon.

Perhaps *flax*, *hemp*, *jute*, etc., would thrive as well here as in Russia, if they were properly encouraged, and the \$25,000,000 worth of imported linens per year might be produced and manufactured at home. As our wheat crops have lately surpassed those of Russia, why should not our flax, hemp, barley, oats, etc., surpass those of Russia? Even silk, tea and sugar, might be produced so as to supply our wants; only a judicious *tariff* is needed; then "bring producers and consumers close together," as advocated by this most practical common sense article, which all can understand and appreciate:

"BRING PRODUCERS AND CONSUMERS CLOSE TOGETHER.

"It may be deemed an *axiom*, that the nearer the farmer and manufacturer are brought together the better it is for both parties. The doctrine, so often taught, that the farmers are not benefited by protective duties on foreign imports, is false in theory and pernicious in effect. The frequent suggestion, that Americans should confine themselves more exclusively to agriculture, is either prompted by a dense ignorance of economic laws, or by the selfish and unprincipled greed of foreign manufacturing interests. It is probably more often the latter than the former. If the question of transportation is alone considered, the argument is all on the side of protection, as affecting both parties; but especially so as regards the former. It is as a rule life or death, success or failure, whether the farmer sells his

wheat for \$1.50 to a consumer near his home, or at \$0.50 and sees \$1.00 absorbed by transportation and middle-men, before it reaches the consumer at some foreign port. The farmer is often blinded to the fact, that the foreign manufacturer, having vast capital and a monopoly of his productions, whether of cloths or other commodities, dictates the price of the wheat and his own cloths also. The question of *cheapness* is a syren song of the free trader, by which the farmer is despoiled. No word is more seductive or has more meanings than this word *cheap*. Horne Tooke says: 'The world is governed by words.' There is no word more ambiguous, or more sure of conquering the unwary or thoughtless than this word *cheap*. Strictly, it means cheapness in money. If an article brings but little money, it is called cheap. Cheapness is often produced by low wages of labor. Shirts, for instance, are made by poor needle women at 25 cents per dozen. But what becomes of the needle woman, who makes the shirts? Cheapness to her is a mockery, for she has no money with which to buy the necessities of existence. She is left to starvation and nakedness. When Dr. Johnson was told, that eggs were so cheap on the Islands, that many could be bought for a penny, he said: 'It is not that eggs are so plenty, but pennies are scarce.'

Under a system of free trade, *Revenue Tariff*, so-called, which kills the manufacturer at the farmer's door, destroys his home market and reduces the wages of labor to starvation prices, becomes a curse. Cheapness, in this case, proves to be ruin. The short-sighted farmer, who has been misled to vote for *free trade*, for fear of helping his manufacturing neighbor, goes for years without a new suit, and the products of his farm are absorbed by the non-producing carriers and middlemen between his gates and a foreign port, thousands of miles away. Why are the Southern States becoming more prosperous since the war in many respects? Simply, because extensive manufactures of various branches are springing up. This change creates a HOME market for

the farmer through the largely increased means of consumption, and a very large item is saved to the real producers, the farmer and manufacturer alike, in the saving of transportation. The less distance products of ANY kind are carried, the better it is for the *consumer*, who finally pays for everything. Therefore, if farmers will but study this question in the light of common sense, and in their neighbors' best pecuniary and social interests, as well as their own, they will surely never champion a system of free trade, nor even a *Revenue Tariff*. Follow Henry C. Carey, and our own first and best friend, Hon. Peter Cooper on this question, and you will not be far wrong."

This might be done at the South, where growers and manufacturers of *cotton, sugar, silk, etc.*, could be brought "*close together*;" it might also be done at the West, where growers and manufacturers of wool, flax, hemp, etc., might be brought "*close together*," so that growers and manufacturers could benefit each other, as well as the growers of cattle, vegetables and grain. Let such common sense political economy be taught and prevail over this vast young country, instead of Adam Smith's, Malthus', Mill's, Say's systems; and let it be called "*Science of Good Government*," instead of Political Economy, which has been a tissue of vague theories, that might apply to small manufacturing countries like England, France, Netherlands, etc., either of which hardly equals New York State in extent.

When those authors wrote their books, they had no idea of these facts; neither have those writers, who now imitate their plausible speculations. It should be remembered, that we have *entire free trade all* over this vast Republic, extending from the Atlantic to the Pacific and from Texas to Alaska, and numbering about as many square miles as Europe.

I have lately been reading J. B. Dixwell's "Premises of Free Trade" and Henry George's "Progress and Poverty." I am glad these two American authors do not ape the Eng-

lish and French political economists: Adam Smith, Malthus, Mill, Professor Cairnes; Say, Bastiat, Laveleye, Mongredien, etc. . . .

Dixwell tells us, p. 35: "Volumes could be filled with examples of the errors, committed by economists of the English school in their deductive reasoning," etc. . . . Page 31, he says: "A large proportion of American converts to free trade became so really through influences, which are quite natural and amiable, but which are perfectly innocent of logic. A vast host of wealthy and cultivated persons every year visit Great Britain, where they find almost every man, woman and child a free trade missionary, ready to tenderly influence and instruct their less fortunate cousins from the western side of the Atlantic," etc. . . . Page 32, he observes: "Mr. David A. Wells, since his conversion to free trade, during a visit to England, becomes a hater of all tariffs," etc. . . . Page 23: "Professor Cairnes unfortunately based the main portion of his argument upon the statistical deductions of Mr. David A. Wells. The Professor probably did not know how roughly these had been handled in Congress," etc. . . . Again, page 31, Dixwell states: "Bastiat's 'Sophisms of Protection' were translated for the instruction of the American public under the auspices of 'The American Free Trade League,' etc. . . . Dixwell gives the French political economists credit for entertaining their readers by their wit and vivacity, if they do not instruct them.

Henry George's able work sets people thinking on social questions. According to him dangers to free institutions result from the inequalities of the distribution of wealth; in this it seems to be antimonopoly. After examining the Malthusian theory he tells us, p. 134: "That theory is utterly inconsistent with the facts. It is really a gratuitous attribution to the laws of God, etc. . . . For we have yet to find what does produce poverty amid advancing wealth." Critics accuse him of communism, because he does not seem to endorse property in land. I consider his

book a powerful plea for reform of some kind. It opens a new era for a more practical common sense political economy. Perhaps George and Dixwell will read my experience in the currency and tariff, and aid in establishing a *Science of Good Government*, based on a strictly national currency, a protective tariff and a wise civil service.

While they were printing the last pages of the book, I was preparing this short address, to be delivered February 1, 1883, at the Meeting of "*The New York Association for the Protection of American Industry*," in the large Hall of Cooper Institute. As it may be my last public address, I add it here:*

"We have assembled, my friends, to call your attention to one of the most important subjects, that can now claim the care of the American people. The advocates of free trade with foreign nations are trying to persuade our Government and people, that it is for our interest to buy from other countries all the luxuries they have to offer.

"These advocates of free trade propose, that our own mechanics shall either work at the starvation prices of the foreign laborers, or be forced to abandon their trades and become competitors with the agriculturists of the country.

"If we desire to bring upon our whole Nation a fate similar to that, which has fallen to the lot of Ireland, Turkey, Mexico, and Hindostan, it is only necessary to arrange our tariff in a way, that will induce the people to have all their manufacturing done in foreign countries, and pay for it with the raw materials of our own. Such a policy will, if I am not mistaken, secure for our Union of States as rapid a decline and fall as that, which fell to the lot of Spain, when the Moors, her principal manufacturers, were driven out of the country. Such a policy might gratify our thirst for all the dearly bought follies and fashions of European life; but it would bring ruin and wretchedness upon

* Mr. Cooper died April 4, 1883.

hundreds of thousands of the mechanics of our country, who have nothing to sell but their labor.

“To break up this diversified employment of so vast a number by a change of tariff, and then expect them to find for themselves other means of living, is about as reasonable as it was for Pharaoh to expect the Israelites to make bricks without straw.”

PETER COOPER.

ADDRESS.*

THIS, gentlemen, is an adjourned meeting of a Conference that was called to consider how and by what we can best promote all the agricultural, mechanical and mercantile interests of our common country.

It will be recollected that a committee was appointed by the Conference to draft and report a plan, designed to unite all these industrial interests in a course of efforts to spread throughout the length and breadth of our country those facts and figures that will enable all interested to judge wisely, and advocate policy that will most effectually advance the highest welfare of the nation.

When the farmers of our country realize the fact, that a farm adjoining a town or factory that will consume all their surplus products, is naturally worth double the amount of a farm equally productive that requires one quarter of all its surplus to be expended to find a market. When this is thoroughly understood by the farming interests of our country, they will be found to be the warmest advocates of a policy, that will make the plow, the loom and the anvil equally dependent upon each other.

It is of the greatest importance, that every American should know and understand the fact that nations grow in wealth and power in proportion as they condense their raw

* The following address was overlooked in preparing the first edition. Its author could not determine the date.

materials by industry into higher forms of value for convenient transportation in their own and other countries.

It is easy to see how England is now drawing the life-blood of other nations into herself by the power of her machinery, that is doing the work of untold millions of men.

This tremendous power of mechanical wealth England is now exchanging through cheap transportation for the hand labor, and raw materials of other countries.

The secret of England's enormous wealth and power will appear when we look at the fact, that the exports of England amounted in 1857 to \$610,000,000 of manufactured goods with only a very small proportion of raw materials. Our exports during the same period were \$338,685,000 with only \$30,000,000 of this amount in manufactured articles. Here, then, we have two systems diametrically opposed to each other. England exported \$610,000,000 in 1857, and nearly all of this vast amount in manufactured articles. During the same time our country exported only \$30,000,000 in manufactured articles.

England is now by her manufacturing policy better able to pay the interest on her national debt of \$4,000,000,000 than she was to pay the interest on the debt she had created one hundred and fifty years ago. In addition to all this, England has invested in railroads \$15,000,000,000 since 1829, in her own country and in other parts of the world.

It should never be forgotten that England secured her enormous wealth and power by a complete system of protection for every article that gave employment to her people.

This policy was continued until she acquired an amount of capital and skill as to fear no competition.

It was unfortunate for our country, that our government allowed our currency to be as effectually debased by tolerating local banks in the issue of pictures called money, as it would have been if the government itself had poured almost any amount of alloy into the gold and silver of the country.

By this policy we have so increased the prices of all property and labor that we have tempted the world to sell

us everything, and at the same time we make everything with us too dear to sell in return with profit. Our government is now compelled to maintain a high tariff with large internal taxes, in order to protect its own interest and honor. The only possible way to enable the people to pay the vast amount of taxes required to meet the wants of the government, will be to maintain a policy that will keep alive and active all the varied industries of our country. To encourage the industry of the people in the most effectual manner, our government should collect its taxes from the fewest number of articles as the best way to lessen the expense of collecting, and thus lighten the burdens of the people.

History tells us, that "Free Trade between France and England occasioned such dreadful disasters to an industry that had grown up under the continental system, that it became necessary to seek a speedy refuge in the prohibitive system, under the shield of which, according to the testimony of M. Dufrin, the manufacturing industry of France doubled between 1815 and 1827." Henri Richelieu, in a note to the French translation, says: "In 1828 the English policy was revealed with great distinctness by the liberal Joseph Hume, who spoke without reserve of strangling the manufactures of the continent."

Sir Robert, Peel, with equal honesty, is said to have remarked that, "as an Englishman, he was in favor of free trade, but that he could not speak in favor of that doctrine were he an American." It is well for us to remember it as an invariable law in political economy, that nations must be poor and weak in proportion as they rely on the export of the raw materials of their country, of which we have a striking illustration in the fact that the average earnings of each individual in North Carolina amounts only to forty-nine (\$49) dollars, while the average earnings of each individual in North Massachusetts, where they convert raw materials into manufactured articles are one hundred and sixty-six dollars.

France, after a long experience, has announced to the

world, through the President of the Council, M. Baroche, its determination formally to reject the principle of Free Trade as incompatible with the independence and security of a great nation, and as destructive to her noblest manufactures. He then says that "Protection must not be blind, unchangeable, or excessive, but the principle must be firmly maintained." When the people throughout the Southern part of our country realize the many advantages they possess of a mild climate, with cheap labor, and where all the powers of nature have combined to urge the Southern people to condense their raw materials in forms of great value—when they do this they will find themselves in possession of one of the most favored spots on the globe.

After the war of the revolution our country remained poor and feeble, until, under the lead of Mr. Calhoun, we adopted the Protective policy, our country then developed our immense resources with unexampled rapidity.

Our history shows that, in proportion as manufacturing flourishes, every other interest flourishes with it. It will always be wise for men or nations to gather wisdom by reflecting on the history and experience of the past.

PETER COOPER.

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